

fibres from nature



Aditya Birla Group in Nackawic



ADITYA BIRLA GROUP



Aditya Birla Group - Leadership Position Globally

- The **largest** aluminum rolling company
- The **largest** producer of viscose staple fibre
- The **largest** producer of carbon black
- The **4th largest** producer of insulators
- The **5th largest** producer of acrylic fiber
- Among the top 10 cement producers
- Among the **top 15** Business Process Outsourcing (**BPO**) companies
- Among the **best energy efficient** fertilizer plants
- **The largest Indian MNC with manufacturing operations in the USA**
- **Presence in Canada – AV Cell, AV Nackawic, AV Terrace bay, Minacs, Novelis, Columbian Chemicals, Birla Sun Life (JV with Sun Life Canada)**

Benefits Of Chain-wide Presence

Forest management



- Control over Cost, Availability & Selection of Wood
- Control over fibre quality from wood harvesting stage itself
- Sustainable Forestry Initiatives



Presence across the value-chain allows us to have business synergy, strategic advantages and cost leadership

Pulp

- Immunity to volatility related to pulp procurement
- Aid in Cost Leadership
- Effective control over quality of pulp
- Tweaking of fibre-properties at the pulp level itself

Fibre



Yarn

- Customer & Yarn Market Insights
- Pro-active & Reactive development of new blends through R&D partnering
- Driving the process Innovations in Spinning

Fabric

- Promotion of VSF through partnering for New Products Development
- Process Innovations for the textile industry

Retail

- Forecasting of fashion trends & Consumer Cycles
- Consumer Reach
- Growth of VSF with decision makers

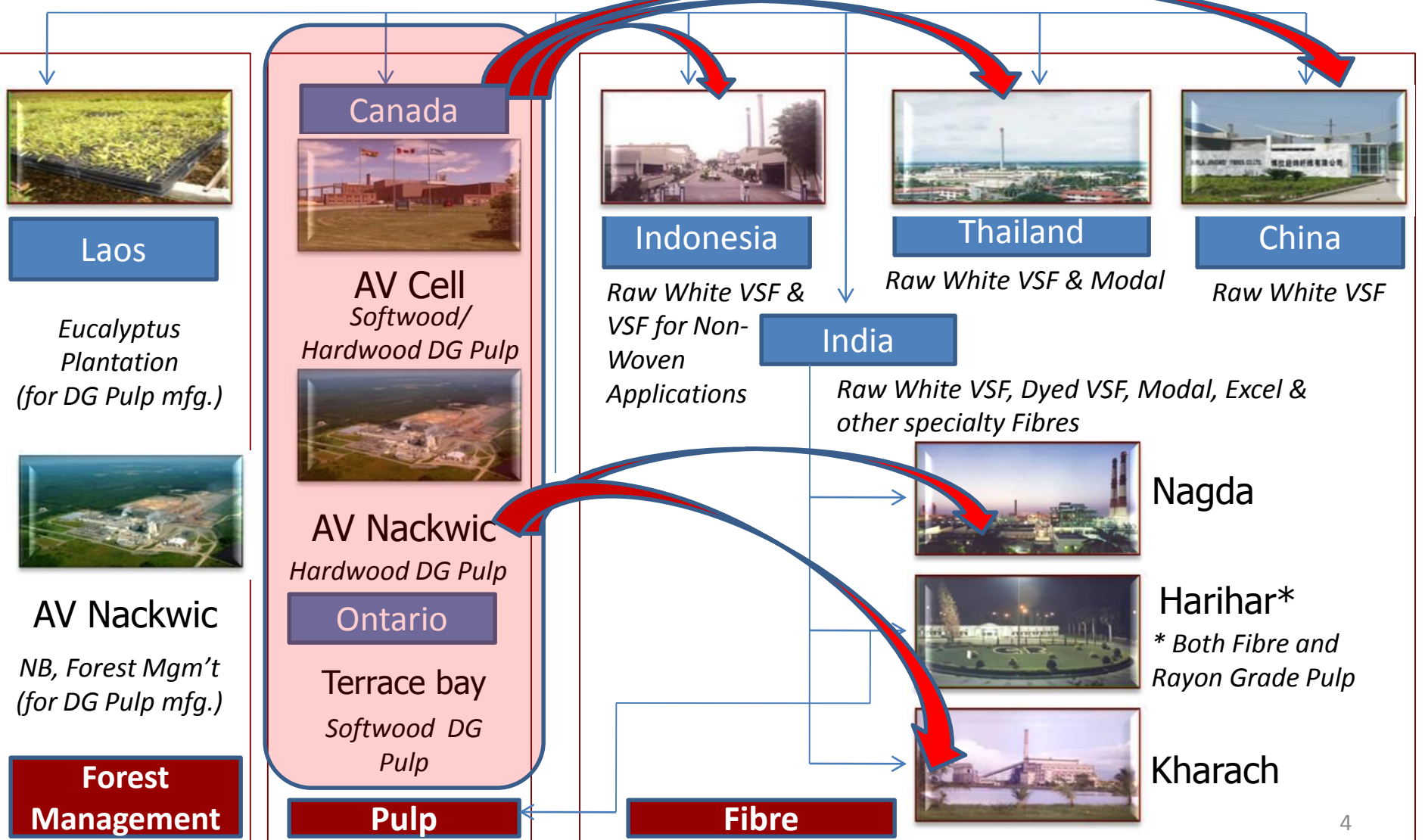


Our Mainstay Business

** Also has in-house Chemicals & Power Plant for VSF manufacturing

Pulp and Fibre Business – Geographic Spread

Aditya Birla Group – Pulp & Fibre Business



Pulp and Fibre Business – Capacity Spread

International

Birla Lao Pulp and Plantation (BLPP)
Laos, Vietnam

50,000 hectares

Plantation

India

Grasim Harihar
74 KTPA
(210 TPD)

International

AV Nackawic
Canada
175 KTPA
(500 TPD)

AV Cell
Canada
126 KTPA
(360 TPD)

Domsjo
Sweden
215 KTPA
(600 TPD)

590 KTPA, 1670 TPD

Pulp

India

Grasim

Nagda, MP
155 KTPA
(425 TPD)

Kharach,
Gujarat
126 KTPA
(345 TPD)

Harihar,
Karnataka
51 KTPA
(140 TPD)

VILAYAT
(330 TPD)

International

Thai Rayon Co.
Thailand
139 KTPA
(380 TPD)

Indo Bharat Rayon
Indonesia
200 KTPA
(550 TPD)

Birla Jingwei
China
72 KTPA
(197 TPD)

Fibre

745 KTPA, 2038 TPD

Expansions in fibre planned to almost double capacities.

With Pulp : Fibre consumption ratio at 1:1, aggressive plans to expand captive Pulp capacities and ensure wood security.

Fibre Application Portfolio

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APPARELS



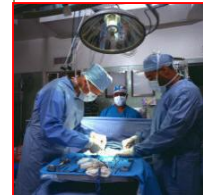
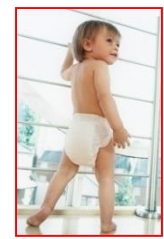
WOVENS

HOME TEXTILES



NON - WOVENS

- Wipes
 - Personal Care, Baby Care
 - Household Care Wipes
- Hygiene Segment
 - Diapers, Nappy Pads
 - Feminine Hygiene Products
- Medical Textiles (Surgical Products, Hospital Linens)
- Industrial Products



- Trousers
- Shirts
- Denims
- Knitwear
- Women's wear
- Uniforms

- Bed Linen
- Bath Linen
- Throws
- Cushions
- Table Linen
- Floor Linen

Key Brands who use Birla Cellulose Products

oasis | WAL*MART | TARGET | TESCO | CHRISTIE'S | MARKS & SPENCER

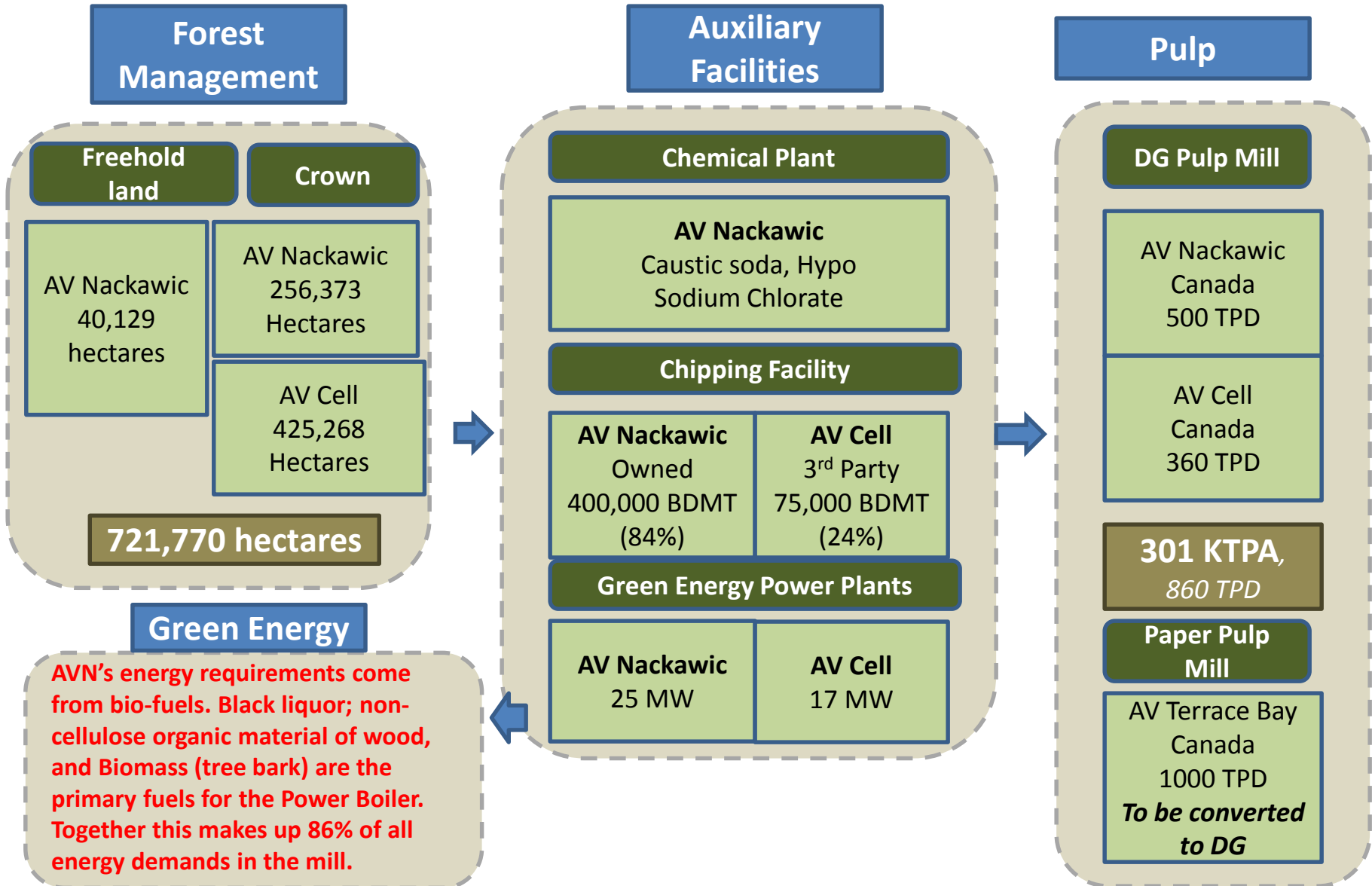
BED BATH & BEYOND | LINENS-N-THINGS | NAUTICA | TOMMY HILFINGER

VICTORIA'S SECRET | WILLS | Federated DEPARTMENT STORES, INC. | JCPenney | DECATHLON SPORTS MEGASTORE | DIESEL FOR SUCCESSFUL LIVING | GAP

Columbia Sportswear Company | ColorPlus

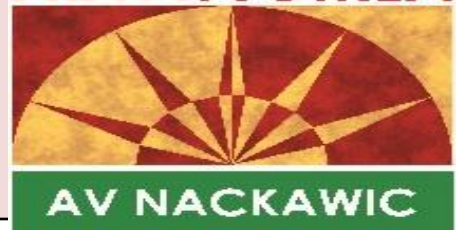


AV Group – Forest Management & Pulp Business



Overview of mill operations in Nackawic

ADITYA BIRLA



Total in NB

Year of Establishment	2005	
Production Capacity (DG) TPD	500	860
Number of Employees	360	730
Investment in Capital projects Since Inception (C\$ million)	220	350
Annual Salary & Wages	28	50
Annual Payment to Gov'ts	15	22
Annual Domestic Purchase	85	160



Economic Impact of AV Nackawic

AV Nackawic – Economic impact

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Investment

- AVN has invested \$220 million in various capital projects since its inception in 2006 and much more in maintenance projects.
- AVN spends on average \$20-\$25 million annual on maintenance of the mill
- AVN has not distributed any profit to its Shareholders.
- AVN has reinvested back all cash generated from the operation into mill
- AVN contractors have invested approximately \$5 million in new harvesting equipment since 2013 and their investments for 2015 are scheduled for an additional \$2 million.
- A good portion of these investments goes in local economy.

AV Nackawic – Economic impact

Local

- AVN makes payment of over \$15 million per year to Government.
- AVN is contributing to local community by supporting various activities and organizations including donation of building to local day care.
- Most of AVN purchases of good and services are domestic within Canada including millions of dollars per year from New Brunswick firms.
- AVN is contributing to the local community by supporting various local recreation projects such as the Nackawic cross-country ski trail, agreements with the NB Federation of Snowmobilers, maple sugary partnership at Pokiok Sugary, and partnerships with Ducks Unlimited Canada.
- AVN is heavily reliant on NB private woodlot wood and makes \$5 million per year in purchases from New Brunswick Private woodlot owners and has committed to purchase \$15 million per year starting in 2015.



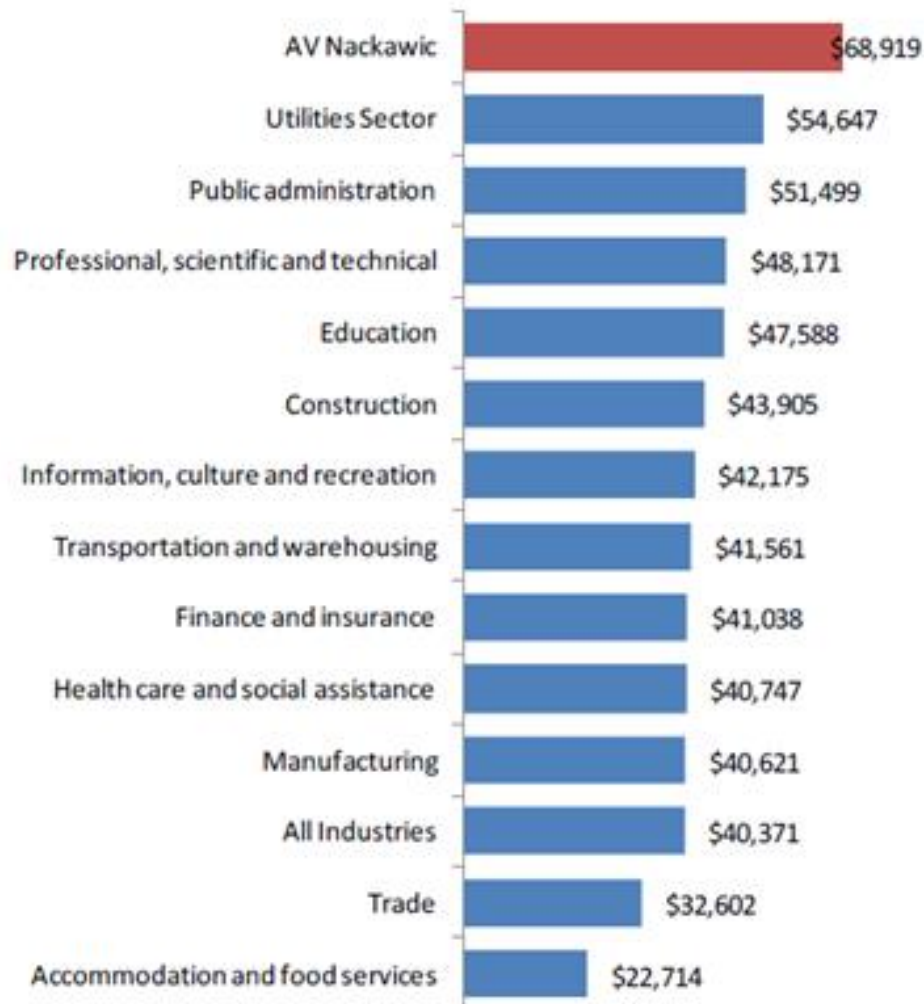
AV Nackawic – Economic impact

Employment

- AV Nackawic provides direct employment to over 350 persons and indirect employment to many more.
- AVN employs 91% of total town workforce.
- AVN pays on average 86% more than median full time, full year worker in the town
- AVN pays over \$28 million per year in wages to employees.
- AV Nackawic harvests approximately 450,000 m³ of wood per year and provides contract employment to over 100 people in harvesting and trucking activities and indirect employment to many more.
- AVN operations on Crown and AVN Freehold land supply over 20 NB forest products facilities
- AVN employs over 55 seasonal contract people in silviculture activities
- AVN pays over \$23 million per year in contract services for harvesting, road construction and maintenance, hauling and silviculture activities.



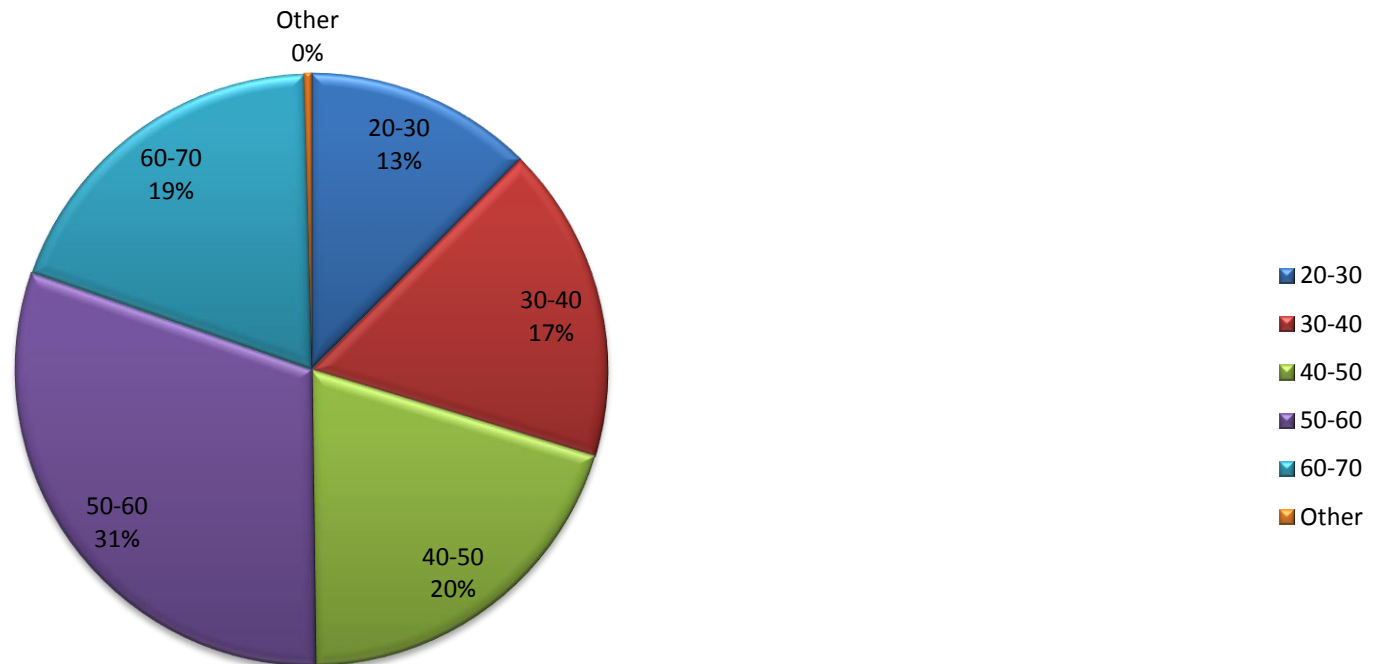
Average Employment Income Comparison
Industry Averages Compared to AV Nackawic
Full Time/Full Year Workers





Age Distribution - Hourly

Mill Hourly Age Distribution

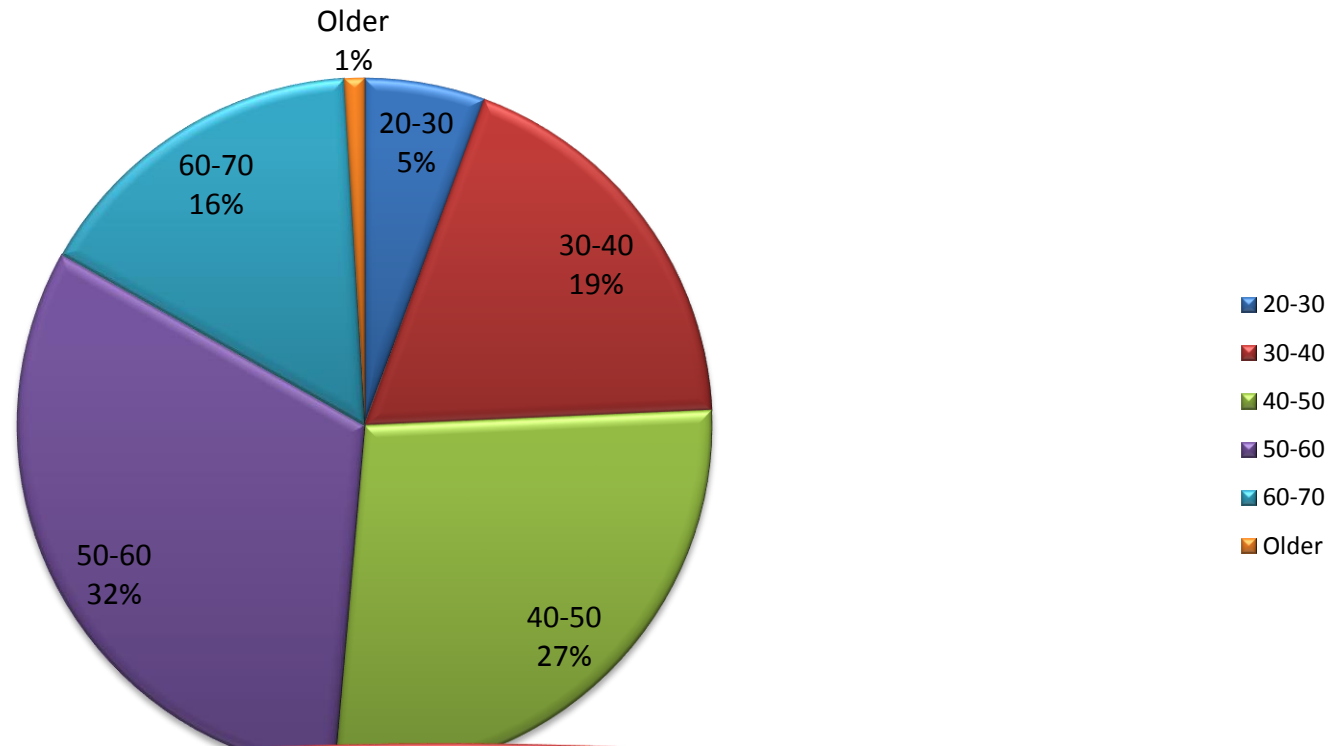


50% of AVN hourly employees are over the age of 50 including 19% over 60 years.



Age Distribution - Salaried

Age Distribution - Salaried Employees



Half of AVN salaried employees are over the age of 50 including 16% over 60 years.



Employee Value Proposition



The Mill is a 24/7 year-round operation. History shows that employees living in the community or within close proximity to the town are best able to attend work during periods of inclement weather



24/7 operation of mill also requires call in employees for unplanned breakdown and emergencies. History shows that employees living in the community or within close proximity to the town are best able to attend work during such emergencies.



In the next 10 years we predict replacement workers for 180 positions. Hourly positions are predominantly trades or semi-skilled positions so it is not necessarily a direct intake of available labour locally. In many cases we are already tapped out.



The average age of a replacement worker is 32 years and has a family

Employee Value Proposition

In 2014-15 two Vice Presidents took residence in Nackawic adding a total of five children to the school system. If half the replacement workers in the next 10 years agree to live in Nackawic and have an average of 2 children, enrolment will increase by 180 students.

The town of Nackawic must create a value proposition to prospective residents that includes available health care and schooling. Town like Nackawic are key to Rural community development. Economic development goes hand to hand with social development. Lack of one kills the other.

On January 6, 2016 the Atlantic Business Review will announce that AV Group is one of Atlantic Canada's Best Employers. Qualifying was part of AV Group's talent attraction strategy for its mill in Nackawic. As a Best Employer we need to deliver on an employee value proposition that is community and infrastructure-ready.



In closing.....

It was announced today that Aditya Birla Group's mills in New Brunswick have won the prestigious Atlantic Canada Best Employer Award for 2016.

With the prospect of 50% of our workforce retiring in the next 5-7 years, our talent attraction strategy is dependent upon our ability to provide local housing, schooling, and healthcare for replacement workers. Given the economic contribution these mills make to the province, we expect deliberate consideration of our needs.