

Joint Press Release Ilim Timber - Tolleson

March 15, 2011

Ilim Timber Industry to acquire Tolleson Lumber – becomes Top-10 largest global sawmill producer and seeks further expansion in North America

Ilim Timber Industry (ITI) has entered into an agreement to acquire North American lumber producer, Tolleson Lumber Company, Inc. of Perry, Georgia (Tolleson), in partnership with management. ITI is committed to support Tolleson's strategy to acquire additional capacity in North America.

The acquisition in North America is a next step in ITI's strategy to become an industrial global leader in terms of presence in the key markets of Asia, Europe and America, efficiency and volumes of production. With the addition of the two Tolleson sawmills ITI's global production capacity now exceeds 1.65 billion board feet (3.9 million cubic meters) and broadens to include southern yellow pine.

Through partnership with senior management, ITI is joining forces with a nationally recognized team led by Mr. Rusty Wood. The Tolleson team has implemented a unique management system which has enabled Tolleson to lead the industry in terms of efficiency and to generate positive results throughout the recent downturn.

"Tolleson's reputation in the industry and management's solid vision for future development became the key decision factors for us in choosing this company in North America. Tolleson will become a cornerstone for further expansion in the US which is a part of our business strategy" – stated Boris Zingarevich, Chairman of the Board of ITI.

"We are very impressed with Ilim Timber's global vision and want to be an integral part of that vision. Their confidence in the Tolleson management team, to lead in the acquisition of mills in the U.S and to increase the Tolleson brand, has our team very excited about the future" – stated Rusty Wood, CEO of Tolleson.

The deal was organized under financial support and advice by Sberbank (Russia). Advisors on the transaction for Tolleson were Kaufman Gilpin McKenzie Thomas Weiss and Chiron Partners, an affiliate of Edgewood Holdings. Freshfields Bruckhaus Deringer and Latum Investment Banking Services advised ITI on the transaction.

ITI has over 3,000 employees and is a leading global manufacturer of sawn goods, deep processed timber products, softwood plywood and hardboard. ITI was established in 2007 as a spin-off of the former woodworking assets of Ilim Pulp, the largest Russian pulp and paper company, as part of the JV arrangements with International Paper. In 2010 ITI acquired two sawmills in Germany: Landsberg (Bayern) and Wismar (Mecklenburg), from Klausner Group. ITI has been operating facilities in Eastern Siberia, North-West of Russia and Germany. Prior to this transaction, the consolidated capacity of Ilim Timber is about 3 million cubic meters (1.27 billion board feet) of sawn timber and 200,000 cubic meters of plywood.

Tolleson has been family owned since it was established in 1919 and manufactures southern pine lumber from its two sawmills in Perry, Georgia and Preston, Georgia. With combined capacity to produce close to 400 million board feet annually, Tolleson has been one of the largest independent lumber manufacturers in the southeastern United States.

Contacts:

Slava Bychkov, Communications Director, ITI, +7 921-949-7660

Rusty Wood, CEO and Jay Galloway, President, Tolleson, Tel: +1 478-987-2105