

## Forest Products



- **Sector Track Record:** US\$904 million portfolio - 58 investments in 41 companies in 25 countries
- **Key Clients:** Stora Enso, Botnia, Moorim, Packages, BILT, Chenming, Kronospan, Swiss Krono
- **Case Study:** Carvajal, Colombia - Leading US\$1.2 billion regional paper company, operating in 18 countries in Latin America.
  - ✓ IFC Investment: US\$70 million in loan, quasi-equity and equity (2004), plus an additional US\$50 million (2006)
  - ✓ Use of Investment: 1st investment financed US\$282m expansion and modernization & 2nd investment financed US\$80m ERP program
  - ✓ Client's Objective: To strengthen and consolidate leading position in key LAC markets, and implement a much needed enterprise resource planning system
- **Client Challenge:** Cost containment driven by industry scale, regional economic cycles, high diversification, organizational structure, financial management, corporate governance
- **IFC Value:** Long term financial partner; world-wide sector expertise; advise on corporate governance, environment, strategy and international expansion; privatization of core subsidiaries
- **Industry Value:** Improved cost structure, and improved environmental and social performance
- **Economic Results:** Group revenues increased by 31% since FY04, and EBITDA margin by 24%