

# A Positive Impact

2008



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**A**t the time of the publication of the last edition of Impact magazine in 2009, it would have been very easy to be gloomy about the prospects for the paper industry. The global economy was just emerging from the most significant recession seen since the 1st half of the 20th Century and the paper industries in the mature regions were struggling. During this recession which started in the middle of 2008, annual demand for printing and writing papers in North America dropped by over 25% from about 30 million tonnes in 2007 to 22 million tonnes at the beginning of 2009. In Europe, annual printing and writing paper demand dropped from around 29 million tonnes to 24 million tonnes. These were significant declines in the two major established mature markets.

## 9 months later, however, there are strong reasons to be optimistic

2010

Firstly the demand in the mature paper making markets has started to recover from the depths of the recession. It is unlikely that they will ever recover fully to the levels they enjoyed in the last decade but they will nevertheless remain very important markets for us. And while the mature markets were facing extreme difficulty, the emerging paper and board production regions of Asia and Latin America barely missed a beat as they continued to grow on the back of increasing local consumption supported by their low cost base.

Secondly, and most importantly, throughout this very difficult period for all industries IMERYS has continued to invest in the paper and packaging business to support our strategy both in terms of pigment production assets and product developments. Our principle strategy is to be the leading multi-pigment provider to coated and uncoated papers and packaging world wide.

In this context IMERYS is not only a provider of cutting edge carbonate technology, but the combination of our high quality kaolin platform in Brazil and our well established kaolin products from North America and the UK puts IMERYS in a good situation to be the preferred supplier to its customers.

*Continued overleaf*



The recent acquisition of Pará Pigmentos S.A. (PPSA) by IMERY'S Pigments for Paper (which will be covered in more detail later in this edition of Impact) is a very important addition to the business and a further step in confirming our position as one of the leading kaolin suppliers. It is, however, only the latest in a series of investments and developments made by us that have all focused on supporting this key strategy.

Since the beginning of 2008 and throughout the global financial crisis IMERY'S has continued to invest to support our strategy across all our multi-pigment mineral platforms. We have built new PCC production plants to serve the Chinese and Indian uncoated woodfree paper markets (Yueyang/Tiger Paper in China, ITC Industries in India). New GCC production plants have been erected in India at Silvassa, Khanna Paper in Amritsar and we increased capacity in our satellite production plant for BILT. In Europe we have increased GCC production capacity in our plants in Lixhe (Belgium) and Mareuil (France). We have made a variety of investments to increase our marble capacity and crushing capacity in China, Vietnam, Malaysia, Turkey and Greece.

As well as our investments in production plant and assets, we have continued to develop new products to meet the needs of our customers. In North America we have developed and introduced the Barrisurf™ range of hyper-platy kaolins to target the important barrier board and packaging markets and have also recently launched the E-Type™ range of kaolins for coating applications which will support our new Sandersville specialty kaolin platform. In Europe the exciting new Opacicote™ range of products is being introduced to address the growing need for cost effective coating solutions. Additionally, and perhaps most exciting of all, we continue to press ahead with developing important new breakthrough technology solutions for increasing pigment loadings in paper, with excellent technical results and promising commercial prospects.

So despite the difficulties of the last two years we have continued to focus on our strategy and have committed the necessary resources to do the things that need to be done to move our business forward.

## we are in great shape to benefit as the recovery strengthens

2011 →

IMERY'S Pigments for Paper has weathered the storm of the global financial crisis and because of our commitment to our business and our customers we are in great shape to benefit as the recovery strengthens. I am personally confident that we will make our business successful thanks to the work dedication and efforts of our entire Paper team.