Presented by: Mr. Naci GUNGOR
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AĞAÇ BAZLI PANEL SEKTÖRÜNÜN GLOBAL OYUNCUSU
Perspective of an integrated company on wood based panels products in Eastern Europe and CIS

OUTLINE

DEMOGRAPHIC OUTLOOK OF TURKEY
WOOD BASED PANEL MARKET
KASTAMONU ENTEGRE
INVESTING ABROAD
The population of TURKEY is around 78 Million

50.2% of the population is MALE

49.8% of the population is FEMALE

22% of the population live in RURAL and 78% in URBAN areas
YOUNGEST POPULATION IN EUROPE

**AVERAGE AGE**

**TURKEY**

29

**EUROPE**

40
WOOD BASED PANEL MARKET ANALYSIS
Wood Based Panel Industry production has reached 205 million m³ in year 2015 (MDF, Particleboard, OSB)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (m³)</th>
<th>Import Quantity (m³)</th>
<th>Export Quantity (m³)</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>195,206,463</td>
<td>39,888,921</td>
<td>42,006,110</td>
<td>193,089,274</td>
</tr>
<tr>
<td>2014</td>
<td>203,344,737</td>
<td>42,130,550</td>
<td>44,807,566</td>
<td>200,667,721</td>
</tr>
<tr>
<td>2015</td>
<td>204,679,604</td>
<td>42,104,445</td>
<td>45,584,620</td>
<td>201,199,429</td>
</tr>
</tbody>
</table>

Source: FAO
CAGR: 4.9%
2009-2015
GLOBAL SECTOR ANALYSIS

GLOBAL WOOD BASED PANEL CONSUMPTION - 2015

- MDF: 42%
- PB: 42%
- LAMINATE FLOORING: 4%
- OSB: 12%

Source: FAO
DISTRIBUTION CHART OF GLOBAL WOOD BASED PANEL PRODUCTION

- **Europe**: 29%
- **America**: 20%
- **Asia**: 49%
- **Africa**: 1%
- **Oceania**: 1%

**Kastamonu Entegre**: 2.4% (mdf + osb + particleboard)

**Turkey**: 4.5% (mdf + osb + particleboard)

Source: FAO
# Global Sector Analysis

## Global Wood Based Panel Production (MDF, PB, OSB)

### Graph

- **Romania**
- **Thailand**
- **Brazil**
- **Poland**
- **Germany**
- **Russian Federation**
- **Turkey**
- **Canada**
- **United States of America**
- **China**

### Table

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>United States of America</th>
<th>Canada</th>
<th>Turkey</th>
<th>Russian Federation</th>
<th>Germany</th>
<th>Poland</th>
<th>Brazil</th>
<th>Thailand</th>
<th>Romania</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>77,435,000</td>
<td>18,885,865</td>
<td>9,766,000</td>
<td>9,213,000</td>
<td>8,748,289</td>
<td>8,244,152</td>
<td>8,000,000</td>
<td>7,826,000</td>
<td>4,770,000</td>
<td>4,281,000</td>
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<tr>
<td>2014</td>
<td>77,352,000</td>
<td>18,642,490</td>
<td>9,436,000</td>
<td>9,385,000</td>
<td>8,428,289</td>
<td>8,311,160</td>
<td>7,877,564</td>
<td>7,861,000</td>
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<td>2013</td>
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<td>18,128,830</td>
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<td>7,766,000</td>
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<td>7,630,339</td>
<td>7,746,000</td>
<td>4,770,000</td>
<td>4,144,000</td>
</tr>
</tbody>
</table>
GLOBAL LAMINATED FLOORING MARKET

WORLD PRODUCTION OF LAMINATE FLOORING - 2015
Source: Munksjö

- **CHINA**: 249,600,000 M²
- **GERMANY**: 240,000,000 M²
- **TURKEY**: 96,000,000 M²
- **USA**: 86,400,000 M²
- **RUSSIA**: 57,600,000 M²
- **BELGIUM**: 38,400,000 M²
- **AUSTRIA**: 38,400,000 M²
- **POLAND**: 38,400,000 M²
- **SWITZERLAND**: 19,200,000 M²
- **OTHERS**: 96,000,000 M²
- **TOTAL**: 960,000,000 M²
TURKISH WOOD BASED PANEL MARKET GROWTH
PRODUCTION OF WOOD BASED PANELS IN TURKEY

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (M³/year)</th>
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<tbody>
<tr>
<td>2005</td>
<td>4,390,000</td>
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<tr>
<td>2006</td>
<td>4,548,000</td>
</tr>
<tr>
<td>2007</td>
<td>4,999,000</td>
</tr>
<tr>
<td>2008</td>
<td>5,102,000</td>
</tr>
<tr>
<td>2009</td>
<td>5,266,000</td>
</tr>
<tr>
<td>2010</td>
<td>6,365,000</td>
</tr>
<tr>
<td>2011</td>
<td>7,190,000</td>
</tr>
<tr>
<td>2012</td>
<td>7,850,000</td>
</tr>
<tr>
<td>2013</td>
<td>8,585,000</td>
</tr>
<tr>
<td>2014</td>
<td>9,385,000</td>
</tr>
<tr>
<td>2015</td>
<td>9,213,000</td>
</tr>
</tbody>
</table>

CAGR 7.69%
HAYAT HOLDING
BOTH GROUPS AIM TO BE A GLOBAL POWER

27 Factories
32 Brands

5.45 million m² total area, 1.27 million m² closed area
3.4 billion EUR total assets, 2.2 billion EUR turnover
14,000 employees
<table>
<thead>
<tr>
<th>FABRIC&amp;HOME CARE</th>
<th>HYGIENE CARE</th>
<th>TISSUE&amp;TOWEL</th>
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<tr>
<td>Washing Cleaner</td>
<td>Baby Diaper</td>
<td>Toilet Tissue</td>
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<tr>
<td>Dishwashing Detergent</td>
<td>Wet Towel</td>
<td>Kitchen Towel</td>
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<tr>
<td>Surface Cleaner</td>
<td>Hygienic Ped</td>
<td>Napkin</td>
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<tr>
<td></td>
<td>Adult Diaper</td>
<td>Handkerchief</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Facial Tissue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Patient Protective Cover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wet Towel</td>
</tr>
</tbody>
</table>
KASTAMONU ENTEGRE

Kastamonu Entegre | Kastamonu Bulgaria | Kastamonu Romania | Natron Hayat | Kastamonu Integrated
Türkiye | Bulgaristan | Romanya | Bosna-Hercek | Rusya Federasyonu-Tataristan
# OVERVIEW TO KASTAMONU

## PRODUCT RANGE
- Raw and Melamined Faced Particleboard, Raw and Melamined Faced MDF, Laminate Flooring, Doorskin, Worktops, High Gloss Boards, Printed Panel

## DAILY PRODUCTION CAPACITY
- X 500 / day
- 15,000 m³ / day

## ANNUAL BASIS PRODUCTION CAPACITY
- 70 million m²/year Laminate Flooring,
- 5 million m³/year Wood Based Panel,
- 19.5 million pieces/year Doorskin

## PRODUCTION LOCATIONS
- The first and only company in the industry investing abroad in Turkey,
- 10 Locations, 13 Factories, 5 countries

## FACTS & FIGURES
- 5,500 Employees,
- 915,000 m² Indoor Area,
- 3.9 million m² Outdoor Area,

## ASSET & TURNOVER
- 2 Billion EUR Asset Size,
- 1 Billion EUR in Net Sales
KASTAMONU IN FIGURES

7th in the Wood Based Panel Sector in the World

4th in the Wood Based Panel Sector in Europe

1st in the Wood Based Panel Sector in Turkey

The consolidated sales revenue (Billion EURO) 1

Turnover realised abroad (Million EUR) 330

Export Countries 93

2015 figures
WE PRODUCE EVERY DAY

Laminate Flooring
Panels for Furniture
Interior Door Panels

FOR 3.000 HOUSES
KASTAMONU ENTEGRE
POSITION IN THE WOOD BASED PANEL INDUSTRY
WORLDWIDE RANKING (WOOD BASED PANEL)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Production (million m³/year)</th>
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</thead>
<tbody>
<tr>
<td>7</td>
<td>Kronospan</td>
<td>16.9</td>
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<tr>
<td>8</td>
<td>Norbord</td>
<td>8.0</td>
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<tr>
<td>9</td>
<td>Egger</td>
<td>7.4</td>
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<tr>
<td>10</td>
<td>Louisiana Pacific</td>
<td>6.8</td>
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<tr>
<td>11</td>
<td>Kronoswiss</td>
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<td>12</td>
<td>Kastamonu Enetegre</td>
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<tr>
<td>13</td>
<td>Duratex-Satipel</td>
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<td>14</td>
<td>Georgia Pacific</td>
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<td>15</td>
<td>Masisa Filji</td>
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<td>Pfleiderer</td>
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<td>17</td>
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<td>Weyerhauser</td>
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<td>20</td>
<td>Arauco-Flakeboards-Sonea</td>
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Nr. 7
EUROPEAN RANKING (WOOD BASED PANEL)

- **Kronospan**: 16.3 million m³/year
- **Egger**: 6.8 million m³/year
- **Swiss Kronospan**: 5.3 million m³/year
- **Kastamonu Entegre**: 5.0 million m³/year
- **Pfeifer**: 3.3 million m³/year
- **Finse**: 2.8 million m³/year
- **Yıldız Entegre**: 2.5 million m³/year
- **Sonae**: 1.9 million m³/year
- **Arauco**: 1.8 million m³/year
- **Fantoni**: 1.7 million m³/year
- **Unilin**: 1.7 million m³/year
- **Frat Italia**: 1.5 million m³/year
- **Norbord**: 1.4 million m³/year
- **Svedwood**: 1.1 million m³/year
- **Triax**: 1.0 million m³/year
- **Savola**: 0.9 million m³/year
- **Constantia Iso**: 0.9 million m³/year

**Nr. 4**
# PRODUCT GROUPS AND BRANDS

## WOOD BASED PANEL
- **Raw Particleboard**
  - Yongapan-Teknopan
- **Raw MDF**
  - Medepan
- **Melamined Coated MDF**
  - Medelam
- **Melamined Coated Particleboard**
  - Yongalam-Teknolam
- **Printed MDF & Particleboard**
  - Printpan
- **High Gloss Boards**
  - Glossmax
  - Evogloss
  - Acrylic Panel
- **Fire Resistant Panels**
  - MedepanFR-TeknopanFR
- **Moisture Resistant Panels**
  - TeknophonMR
- **Light Panels**
  - Lightpan

## LAMINATE FLOORING
- Floorpan
- Artfloor

## DOORSKIN
- Dorpan
- Doorlam

## WORKTOPS
- Technotop
- Neotop
PRODUCT DEVELOPMENTS

Kastamonu Entegre continues to expand its range of products with an innovative approach. Having succeeded as a result of long term R&D work to produce a decorative glossy surface GlossMax product with 2.10 m width, our company is the first company in the world with the capability to provide the market with a product of this width and production technology (UV Lacquering, Hot Melt Coating), creating a market with no rivals.

The Technotop and Neotop kitchen worktops are being presented to the market, production starting on acrylic panel and the 4 sides beveled laminate flooring products, anti-fingerprint, mat surfaces, anti-microbial, anti-static and painted MDF products are among our product developments.
Our first solar power plant started working in May this year at our Adana MDF factory. It will produce 1 MW electricity and the target is to cover the roofs of all our existing plants.

Committed to increasing energy efficiency and reducing CO₂ emissions, 136 diesel-fueled forklifts in use have been changed into electric forklifts.

Recently launched waste water treatment systems in our Gebze MDF & Particleboard plant managed to save 60 thousand m³ of water per annum.
ENVIRONMENT AND SUSTAINABILITY

- 9 cogeneration turbines that operate with natural gas, produce 95 MW electricity output.
- We use about 400 thousand tons of recycled material in particleboard production in a year which corresponds to 15% of our total wood raw material.
- We have completed 21 efficiency improving projects between 2013-2015 which are supported by General Directorate Of Renewable Energy.
ENVIRONMENT AND SUSTAINABILITY

- Technological Improvements reduced glue consumption by 10% which helps also reduce emissions, water and energy usage.

- Biomass power plants operating in our Gebze and Bosnia Herzegovina plants produce 9.1 MW electricity and 25 MW thermal energy.

- The wood in our products locks 3.1 million tons of CO2 in a year. This corresponds to the emissions of 550 thousand households in a year.

- Gasification Plant under construction at Gebze location will produce 7 MW Thermal Renewable Energy.
1 million m² total area, 125,000 m² closed area
RF TATARSTAN – MDF PLANT

One of the World’s Largest MDF Production Capacities

- MDF Production Capacity: 1 million m³/year

Start up date of:
- Line 1: May 2014
- Line 2: April 2016

Direct Labor Force: 850

Laminate Flooring Capacity: 35 million m²/year

Total Investment: 400 Million Euro
Kastamonu Entegre produces in conformity with TSE and Europe norms (EN). In addition to ISO 9001, OHSAS 18001 (occupational Health and Safety), ISO 50001 (Energy management), ISO 14001 Environmental Management System (Russia and Romania Locations), FSC (Sustainable Forest Management) certificates, Kastamonu Entegre has CARB Phase 2 (California Air Resources Board) certificates given by WKI which is one of the most important certification organization in the quality systems.
SOCIAL RESPONSIBILITY PROJECTS

ENAT: First Industrial Plantation in Turkey

Established in 2005
26 Founder partners (wood panel, paper, packing sectors)
Kastamonu Entegre second biggest shareholder
1,300 hectares, close to 1,500,000 saplings
Eucalyptus Seedlings Distribution Organization

70,000 eucalyptus seedlings have been distributed in 2012-2013
When the company has reached a certain market share in Turkish market as of year 1998, the first investment abroad was decided to be made with the target of becoming a regional leader.

- With the investments abroad, our company planned to transform from production focusing on Turkey to an international organizational structure that produces over a more widespread geography from United States to Far East.

- Our goal is to become one of the top five manufacturers in the wood-based panel sector globally.

- We are the first and unique Turkish wood based panel company which has production facilities outside of Turkey.
• Today, with a 30% share of the Turkish market, the main goal is now to emphasize growth abroad. Our long term goals include continue investing in new locations close to the market and wood raw material resources in order to realise the globalisation of Kastamonu.

• We have built up a substantial pool of managerial talent which the company can use to staff key posts in its foreign factories. Usually there are five or six Turkish managers for financial, administration, purchasing and production manager posts. We have the principle of “contributing and consolidating the local employment” in all the countries where we have investments.

• 30 % of our turnover is made in foreign markets whereas 70 % in Turkey and our aim is to increase the percentage of foreign markets by investing more abroad.

• In Romania, we are in the 2nd place with a 31% domestic market share, the leader in Bulgaria with a 36% domestic market share and also in Russia with a 25 % market share target in the domestic MDF market.
### Romania

**Region**
Europe & Central Asia

**Income Category**
Upper middle income

**Population**
19,910,995

<table>
<thead>
<tr>
<th>Topics</th>
<th>DB 2016 Rank</th>
<th>DB 2015 Rank</th>
<th>Change in Rank</th>
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<tr>
<td>Doing Business 2016 Rank</td>
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<td>101</td>
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<tr>
<td>Getting Electricity</td>
<td>133</td>
<td>132</td>
<td>-1</td>
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<tr>
<td>Registering Property</td>
<td>64</td>
<td>63</td>
<td>-1</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>7</td>
<td>6</td>
<td>-1</td>
</tr>
<tr>
<td>Protecting Minority Investors</td>
<td>57</td>
<td>54</td>
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<tr>
<td>Paying Taxes</td>
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<tr>
<td>Trading Across Borders</td>
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<td>Enforcing Contracts</td>
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<tr>
<td>Resolving Insolvency</td>
<td>46</td>
<td>46</td>
<td>No change</td>
</tr>
</tbody>
</table>

**Ease of Doing Business in Romania**

**Source:** World Bank
• Due to its high wood raw material availability and its geographical position being closer to the West, Romania is in position to supply the Middle Europe and the Balkans.

• In year 1998 we made our first investment abroad by acquiring from the Privatization Administration of Romania, the company Prolemn located in the Reghin region.

• Here we invested 100 million Euro and installed the 3rd biggest doorskin production facility in the World with a capacity of 19.5 million pieces/ year. The “Dorpan” brand doorskin produced in Romania are exported to more than 40 countries.
• Also in the same region, we put in function our particle board production line in year 2012, with an investment value of 130 million Euro on a location of 500 decares.

• This new investment with a capacity of 560,000 cubic meters per year is producing particleboards not only for the domestic market of Romania but also 55% of the production exported to Balkan countries.
Romania

• The latest investment in Romania is the worktop production line with an annual capacity of 200,000 pieces which started production in year 2014. Our latest technology worktops with Technotop and Neotop brands are sold both in domestic and the foreign markets.

• As of year 2015 Kastamonu Romania became one of the biggest producers in Romania in its sector and the biggest Turkish investor in Romania.

• The turnover achieved by Kastamonu Romania in year 2015 was 140 million Euro.
### Romania

#### Strong Points
- Being the unique doorskin producer in Romania and one of the two in Europe.
- Producing domestic products with high quality in affordable prices.
- Opportunities granted to the members of Customs Union producing within the European Union.

- Furniture producers or dealers looking for new suppliers because the available actors in the market can’t fully satisfy the needs of the customer.
- Expectation of an increased purchasing power in Romania, which is a member of European Union.
- Discounted import tax or import tax exemption granted especially by North African countries to the members of the European Union.

#### Weak points
- The supply is 2.5 times higher than the local demand;
- the purchasing power is weak.
- Having started to produce after the 2 global actors.

#### Opportunities
- The presence of lower priced products coming from Ukraine due to the economic crisis in the country.

#### Threats
- Competing with two global companies in the sector in the same market.
Bulgaria

Ease of Doing Business in

Bulgaria

Region
Europe & Central Asia

Income Category
Upper middle income

Population
7,226,291

<table>
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<tr>
<th>Topics</th>
<th>DB 2016 Rank</th>
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<td>Dealing with Construction Permits</td>
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<tr>
<td>Protecting Minority Investors</td>
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<tr>
<td>Resolving Insolvency</td>
<td>48</td>
<td>47</td>
<td>-1</td>
</tr>
</tbody>
</table>

Source: World Bank
• We made our second investment abroad in Bulgaria due to its advantages in wood raw material supply and proximity to Turkey.

• In year 2000 we acquired the Gabrovnitsa factory in the Kazanlik region of Bulgaria and we installed a particleboard facility of 200,000 cubic meters/year with an investment of 30 million Euro.

• Our facility which has an open area of 230 thousand square meters started production in year 2001 producing raw and melamine faced particle boards. Recently we have started pellet production in this location as well.

• Our Bulgaria factory, which reached a turnover of 45 million Euro in year 2015, is the second biggest Turkish investment in this country.

• Particleboard production in Bulgaria is 50% for export and are shipped to more than 40 countries including Balkans and Europe.
**Strategic Points**

- The increase on the amount of sales in the local market and the distribution in Bulgaria with a balanced product portfolio so that the company can spread the risks and opportunities.
- Opportunities granted to the members of Customs Union producing within the European Union.
- Presence of large scale Furniture exporters in the country.
- Expectation of an increased purchase power in Bulgaria, which is a member of European Union, for upcoming years.
- Discounted import tax or import tax exemption granted especially by North African countries to the members of the European Union.

**Weak Points**

- Stagnating effects of the ongoing economic crisis and high competition from imported goods having adverse affect on sales and profit margins.
- The obligation to export more than half of production since the consumption is low in Bulgaria due to being a relatively small market.
- Capacity increase plans of the competitor by new investments in Bulgaria.
- It is not possible to transfer the increase on the prices of raw materials to the sales prices.

**Opportunities**

- Expectation of an increased purchase power in Bulgaria, which is a member of European Union, for upcoming years.

**Threats**

- Stagnating effects of the ongoing economic crisis and high competition from imported goods having adverse affect on sales and profit margins.
# Bosnia-Herzegovina

## Ease of Doing Business in Bosnia-Herzegovina

**Region**: Europe & Central Asia  
**Income Category**: Upper middle income  
**Population**: 3,824,746

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<td>Getting Electricity</td>
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• The facts that the local packaging Kraft paper production had a long history and good reputation in Europe and the availability of wood raw material resources were the important factors which influenced our decision to invest in Bosnia – Herzegovina.

• In year 2005, Kastamonu Entegre and Hayat Kimya acquired the “Natron” Kraft paper factory and entered in to the packaging Kraft paper production business by changing the name of the company into “Natron-Hayat”. An investment of about 100 million Euro was made for the restructuring and modernization of the production line and to increase the capacity.

• At the moment the plant produces 70.000 tons a year of sack paper and 30.000 tons of corrugated board from recycled paper.

• The rather developed and continuously growing infrastructure of Bosnia- Herzegovina which provides connection between the Mediterranean ports and the East and West Europe highway corridor, made possible the export of almost 95% of our production to more than 70 countries. We have the potential to deliver in 48 hours to the most important European markets.

• Natron-Hayat which is one of the biggest packaging Kraft paper production facilities in the Balkans is employing 900 people. The 2015 turnover reached a total of 65 million Euro.
**Russia**

**Ease of Doing Business in Russia**

**Region**
- Europe & Central Asia

**Income Category**
- High income

**Population**
- 143,819,569

**GNI Per Capita (US$)**
- 13,21

**City covered**
- Moscow, Saint Petersburg

<table>
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<tr>
<th>Topics</th>
<th>DB 2016 Rank</th>
<th>DB 2015 Rank</th>
<th>Change in Rank</th>
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</table>

Source: World Bank
WHY RUSSIAN FEDERATION?

• According to 10 years projection, Kastamonu’s target is to continue growth in Russia and Eastern Europe.

• Russia is one of the most important emerging markets in the World,

• Rich raw material and energy resources (about a quarter of the world's forest reserves),

• Low raw material and energy prices,

• The size of the market, the increasing consumption and the rising purchasing power of its developing economy,

• Proximity to the target markets,

• Positive approach of RF Government for FDI,

• The wood-processing sector in Russia today is considered to be one of the country’s most promising industries. This is due to the geographical position of Russia and its large forested areas,

• Despite, Russia currently accounts for only about 4 % of the global wood based panel market.
WHY ALABUGA SEZ?

• The Special Economic Zone “Alabuga” was created in 2005 in the Republic of Tatarstan

• It is in the centre of the largest industrial region, 800 km to the east of Moscow

• Encouragement and support of both RF and RT towards investors.

• Good location in terms of logistics. Tatarstan is Volga Region which has a developed rail system and convenient for logistics to reach Russia and CIS Markets. Moreover, during the navigation period which lasts six months a year, we can use the Black and Caspian sea transportation routes.

• Qualified potential of work force.

• FREE CUSTOMS ZONE
  - VAT and Customs Tax Exemption

• READY INDUSTRIAL INFRASTRUCTURE
  - Railway
  - Natural Gas
  - Electricity
  - Heating
  - Water – Sewage
  - Container Terminal
The Republic of Tatarstan is one of the most developed regions in the Russian Federation. Tatarstan and Turkey have historically close ties and the republic’s leadership has helped the company to overcome many bureaucratic barriers.
Our activities, targeting a turnover of 150 million Euro in year 2016 and a 25% share of the Russian market, are continuing successfully. The products manufactured in this factory which provides employment for 850 people are sold 60% in the Russian market and 40 % to the CIS countries, neighbouring area and the Middle East.

Our factory in Alabuga got the environmentally friendly production facility award of the wood based panel sector, at the environment contest “EKO LEADER – 2014 organized at Kazan, the capital city of Tatarstan, for using the rain water in production, for producing its own electricity and heating using the gas turbine and for works such as the waste water purification unit.

Moreover, our facility which has the FSC, CE, ISO 9001, ISO 14001 quality certificates, was selected as the Russian Quality Leader” in year 2015.
Despite the slight decrease in the production volume in the Russian wood based panel market in 2015, there was a noticeable substitution of imported products by local manufacturers. In connection with currency devaluation, local producers gained certain competitive advantages over imported products. European and Chinese producers could not compete with the price/quality ratio and the market is gradually redirecting itself to local producers.
## Russia

### Strong points

- Production of a wide range of products at the biggest MDF plant of Russia with newest technology equipment.
- Geographic location (in the center of country) with a high logistic advantage and proximity to wood raw material.
- Certified high quality and high capacity production
- Increasing brand awareness
- The fact of being the resident of a “free economic zone”

- Domestic producers increasing their market share by taking advantage of high import costs caused by devaluation of local currency
- Integration potential into the market in a faster way than that expected.

### Weak points

- Dependence on Euro/Rouble Exchange currency
- Being a new brand in the market, brand recognition is lower than that of its competitors.

- Decrease on purchase activity due to economic instability and uncertainty

### Opportunities

### Threats
THANK YOU