

ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF THE ANDHRA PRADESH PAPER MILLS LIMITED

Registered office: Rajahmundry – 533 105, East Godavari District, Andhra Pradesh, India

This announcement ("Second Corrigendum to the Public Announcement") is in continuation of and should be read in conjunction with, the Public Announcement dated April 1st, 2011 ("Public Announcement") and the Corrigendum to the Public Announcement dated May 23rd, 2011, being issued by Lazard India Private Limited, the Manager to the Offer, on behalf of IP Holding Asia Singapore PTE. LTD. ("Acquirer") and International Paper Company (referred to as 'Person Acting in Concert' or 'PAC'), to the equity shareholders of The Andhra Pradesh Paper Mills Limited ('APPM') pursuant to and in compliance with Regulation 10 and Regulation 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto ('Regulations').

SEBI vide letter dated August 3rd, 2011 (the "SEBI Observation Letter") has issued its observations in terms of the proviso to Regulation 18(2) of the Regulations on the draft Letter of Offer submitted on April 15th, 2011. In said letter SEBI has observed that certain Promoter Group Sellers are ineligible to receive the non-compete fee and has therefore directed that the Open Offer price be revised to include the non-compete fee. The Acquirer, being aggrieved with the above direction, has filed an appeal before the Securities Appellate Tribunal ("SAT") on August 5th, 2011 seeking to set aside the above direction contained in the SEBI Observation Letter and the matter is expected to be heard shortly.

On May 18th, 2011, Mr. Paul Brown has been appointed as Nominee Director of the Acquirer on the Board of Directors of APPM in accordance with Regulation 22(7) of the Regulations.

Further developments in the matter would be announced by way of an announcement in the newspapers where this Second Corrigendum to the Public Announcement and the previous announcements mentioned above, have been published.

This Second Corrigendum to the Public Announcement would also be available on the SEBI website <http://www.sebi.gov.in>

Terms used but not defined in this Second Corrigendum to the Public Announcement shall have the same meaning as assigned in the Public Announcement and Corrigendum to the Public Announcement.

The Acquirer and PAC accept full responsibility for the information contained in this Second Corrigendum to the Public Announcement and also for fulfilling their obligations under the Regulations.

Issued by Manager to The Offer	On behalf of
LAZARD Lazard India Private Limited 20th Floor, Express Towers, Nariman Point, Mumbai- 400 021 Tel No: 022 6752 6000; Fax No: 022 6752 6060 Email: openoffer.india@lazard.com Contact Person: Mr. Ashish Ambwani	IP Holding Asia Singapore PTE. LTD. ("Acquirer") and International Paper Company ("PAC") Sd/-

Place: Mumbai

Date: August 10th, 2011