



***United States Attorney  
Southern District of New York***

**FOR IMMEDIATE RELEASE  
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**EXPORT-IMPORT BANK OF UNITED STATES WINS SUMMARY  
JUDGMENT AGAINST ASIA PULP & PAPER COMPANY, LIMITED,  
AND ITS PRINCIPAL INDONESIAN OPERATING COMPANIES  
IN SUIT TO RECOVER MORE THAN \$104 MILLION**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today the filing of a ruling, by the United States District Court for the Southern District of New York, in favor of the EXPORT-IMPORT BANK OF THE UNITED STATES ("EX-IM BANK") in a civil suit to recover more than \$104 million in defaulted loans from ASIA PULP & PAPER COMPANY, LIMITED ("APP") -- a Singapore-based manufacturer of paper products -- and three of its principal Indonesian operating companies, PT INDAH KIAT PULP & PAPER TBK ("INDAH KIAT"); PT PABRIK KERTAS TJIWI KIMIA TBK ("TJIWI KIMIA"); and PT PINDO DELI PULP & PAPER MILLS ("PINDO DELI").

EX-IM BANK is an independent federal government agency which helps create and sustain U.S. jobs by financing the sale of U.S. exports -- primarily to emerging markets throughout the world -- by providing loan guarantees, export credit insurance and direct loans. EX-IM BANK's lawsuit alleged that INDAH KIAT, TJIWI KIMIA, and PINDO DELI defaulted on thirteen loan agreements into which they had entered with EX-IM BANK, and that APP had unconditionally guaranteed repayment of three of those loans.

In March 2001, APP announced that it would cease repayment of its worldwide debts, which totaled approximately \$13.9 billion. After this announcement, EX-IM BANK participated in extensive discussions with APP and its Indonesian operating companies, as well as other creditors, in an attempt to reach an acceptable consensual restructuring solution and avoid litigation. Ultimately, EX-IM BANK opposed the final restructuring plan that was negotiated among APP, its operating companies, and certain of its other creditors.

In granting summary judgment to EX-IM BANK, the Court rejected the arguments raised by APP and its Indonesian operating companies that EX-IM BANK's participation in negotiations to attempt to restructure the debt prevented EX-IM BANK from enforcing repayment of the debt.

Assistant United States Attorney SARAH E. LIGHT is in charge of the case.

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