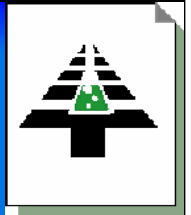




Foundation Focus



2006 Annual Report Auburn Pulp & Paper Foundation

President's 2006 Update:

When I became President of the Auburn Pulp and Paper Foundation in October 2004, I wanted the Foundation to focus on four key areas to ensure we were positioned to meet the needs of Auburn University and the regional Pulp and Paper Industry for qualified graduates.

1. Increase the Membership of the Foundation.

The energy in the Foundation and the funding for the scholarships given to deserving Paper & Bioresource Engineering students are an outcome of having active company members.

Update: Through the outstanding work of Chris Spraggins - Chair, and Joe Perdue - Co-Chair, we have increased our membership. We now have the majority of the mills in Alabama actively engaged in Foundation work.

2. Grow the Foundation Endowment. The target is to grow the endowment from its current \$654,587 to \$1.4 million by the end of 2007 and longer-term to over \$3 million. An endowment at this level would fund 12 to 15 scholarships and allow the annual contributions from companies to enhance other efforts of the Foundation.

Update: We are currently in the process of contacting companies and asking them to consider an Endowment to Auburn University directed to the Auburn Pulp and Paper Foundation Scholarship Endowment. We have developed the program and made our first two company contacts and have a verbal commitment with formal agreements pending. Our Alumni Committee chairs, Neal McDevitt, Randy Dees, and Clay Bethea, with help from Dara Kloss of the Auburn Development Office, have also established an Auburn Pulp and Paper Alumni Endowment with \$5,000 seed money from the Foundation. This endowment is established to encourage graduates from the program to give back to Auburn and provide scholarships to future Pulp and Paper students through this endowment. Our goal for this endowment is to build it to \$150,000.

Visit our Website at:
<http://www.auburn-appf.org/>

3. Involve Past Graduates from the Auburn Pulp and Paper Program in the Foundation. The future leadership of the Foundation should come from this group.

Update: Through the Scholarship and Recruitment Committee work with new members and the Alumni Committee work with the Alumni Endowment and communication efforts, we are making good progress in this area. Work continues.

4. Increase the number of scholarship students in the Program, targeting 12 – 15 graduates per year.

Update: The Foundation has been able to increase the number of students on scholarship to 50 beginning in the Fall of 2006 from 23 in the Spring. This was accomplished through very close cooperation with the Faculty, Scholarship and Recruitment Committee, Chemical Engineering Department and seven Foundation Member Plants that were given the freedom to identify area students to apply for the scholarships. This program had overwhelming success and will be expanded in the coming years. In terms of quality, these students have an average ACT score of 30 and a 3.95 GPA.

It is an exciting and rewarding time to be part of the Foundation and to support such a great industry and great University. The Auburn Pulp and Paper Foundation uses 98% of donations for student scholarships. The Foundation is made up of many industry volunteers and uses a committee structure to accomplish our work. I urge program alumni to become involved in the Foundation work. You will enjoy it, you will help others, and it is always great to get back to the Auburn campus. Thanks to our dedicated committee members for your support!

By
Chip Aiken, President
Auburn Pulp & Paper
Foundation





Director's Report



By Dr. Harry T. Cullinan, Director

Alabama Center for Paper & Bioresource Engineering

Well, it's not quite "Happy Days are Here Again", but we have experienced a dramatic increase in the number of Auburn engineering students being supported by Auburn Pulp and Paper Foundation scholarships. Our scholarship roster for the Fall 2006 semester is twice as large as it was just one year earlier, numbering nearly 50 high quality students.

This amazing increase didn't just happen. It is the result of a multi-pronged strategy that the center and the foundation put into play over the past year. First, the change of our name to the Alabama Center for Paper and Bioresource Engineering, coupled with a retooled recruitment message, has had a very positive impact by focusing on the role of young engineers helping to convert existing mills into the forest biorefineries of tomorrow. We added to this approach by getting the foundation's approval to provide \$20,000 to the Chemical Engineering Department to assist in recruiting freshman chemical engineering students. This nearly doubled the scholarship funds available to the department and has resulted in 20 Chemical Engineering freshmen now supported by Auburn Pulp and Paper Foundation scholarships.

The next new wrinkle in our recruitment strategy is the mill scholarship challenge. In this program, the foundation assigned a half-tuition scholarship to each of several mills and challenged each mill to recruit an outstanding local student to accept the scholarship designated with the mill's name. In several cases, the mills recruited more than one student, so, as a result, a total of 8 students were added through this new approach. If your mill is interested in participating in the mill scholarship challenge for next year, just let us know soon while scholarship funds remain available.

Lastly, an overall increase in the intensity of our recruitment efforts with more and improved mill events rounded out our strategy and produced the largest freshman class in many years, a total of 32 Auburn Pulp and Paper Foundation freshman scholarship recipients. As long as the corporate contributions keep increasing, we're going to try to surpass that number for Fall 2007.



Foundation members tour newly renovated Ross Hall in the College of Engineering at Auburn University where classes are held for students enrolled in the Paper and Bioresource Engineering program.

Visit our Website at:

<http://www.eng.auburn.edu/center/pnp/pnp.htm>

Alabama Center for Paper & Bioresource Engineering Mission:

The mission of AC-PABE is to provide undergraduate, graduate and continuing education in science and engineering relevant to the needs of the pulp, paper and bio-resource industries, to conduct fundamental and applied research in line with the industry's research agenda, to develop and transfer technology to the industry consistent with the industry's technology vision and to provide timely technical information to the operating sector of the industry.



PULP & PAPER FOUNDATION



CORPORATE BENEFACTORS

Alabama River Pulp Company
 Boise
 Bowater, Coosa Pines
 Buckeye Technologies Inc.
 Ciba Specialty Chemicals
 Domtar
 Emerson Process Management
 FRUCON
 Georgia-Pacific, Cedar Springs
 Georgia-Pacific, Naheola
 Gulf States Paper Corporation
 International Paper Company (Courtland)
 International Paper Company (Riverdale)
 International Paper Company (Prattville)
 SCA – Barton

ACTIVE COMPANY MEMBERS

Albany International Corp.
 Asten Johnson
 BE&K, Inc.
 Buckman Laboratories, Inc.
 Eka Chemicals Inc.
 Hercules, Inc.
 Imerys
 Metso Corporation
 ONDEO Nalco

ASSOCIATE MEMBERS

Airteck	Alabama Power Company
Bowater – Greneda	Dixie Division PIMA Southern Section
Gulf Coast TAPPI	Invensys
Kemira	MeadWestvaco
Packaging Corporation of America	Saiia Construction
	Voith Fabrics Incorporated

INDIVIDUAL LIFE MEMBERS

Clarence H. Hornsby, Jr. Kenwood C. Nichols Richard D. Quina

INDIVIDUAL MEMBERS (Donations in FY 2006)

John Redmon

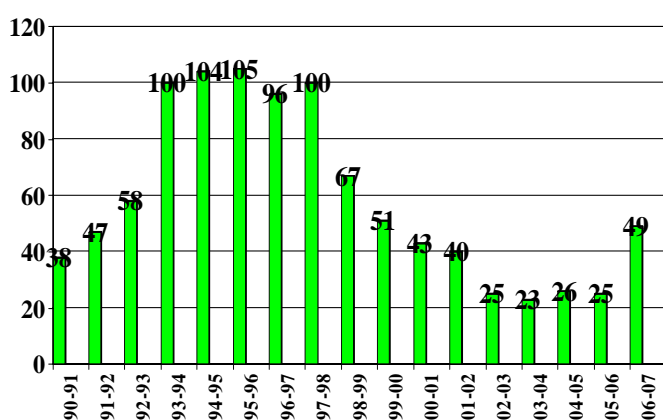


Financial, Enrollment Reports



Pulp, Paper and Bioresource Engineering scholars for 2006-2007 at the fall orientation meeting. This is the largest class we have had since 1999, double the size of last year's class. They are truly some of Auburn's finest, with ACT's scores averaging about 30.

STUDENTS



GRADUATES

