Plywood production and consumption
2000, 2005, 2010, and 2014 (million m³)

CAGR 2000 – 2014: 3.8%

Plywood production by market area
2000, 2005, 2010, and 2014 (1,000 m³)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (million m³)</th>
<th>Consumption (million m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>58.4</td>
<td>59.6</td>
</tr>
<tr>
<td>2005</td>
<td>73.3</td>
<td>72.5</td>
</tr>
<tr>
<td>2010</td>
<td>81.5</td>
<td>79.4</td>
</tr>
<tr>
<td>2014</td>
<td>98.9</td>
<td>94.1</td>
</tr>
</tbody>
</table>

Plywood consumption by end-use category 2014
Total 94.1 million m³

Construction 38%
Furniture 26%
Packaging 9%
Flooring 5%
Transport 7%
Other 15%

Source: Indufor
Focus on emerging markets

North America
The largest LVL producing area and the world's second largest plywood manufacturing area. Economy is growing. Construction remains at a low level. Investments focus on modernization projects to boost efficiency and replacement investments.

Europe and Africa
Developed market with a generally high level of production technology.

Russia
Large raw material reserves and developing economy in the long term. Excellent competitiveness in the export markets.

Rest of the Asia-Pacific area

South America
One of the biggest and most potential growth areas in plywood production

China
The world's largest producer of plywood. Production mostly based on manual labor, simple technology and local machine suppliers.

Rest of the Asia-Pacific area

Strong shift from natural forests to plantations

Market area's share of Raute's order intake in 2013-2015
Plywood production by market area in 2014.
Raute's position
Growth potential

Strong position in Chile and deliveries to Brazil.
Structure of local forest industry, abundant plantation wood resources and investments in products with a high value added.

To become a significant operator.
Higher quality requirements.

Processing of raw material from small-diameter plantation trees.
New growth of plywood production enabled by plantation forests.
EMEA

- Strong plywood industry in Finland
- Low level of new capacity building
- Future focus on projects targeting at improving production efficiency and quality
- Africa surprisingly large, future potential

Raute ja EMEA

- Raute suurin toimija Euroopassa
- Palveluliiketoiminta kasvaa
- Asiakaspohjaa laajennetaan pienempiin ja mahdollisiin uusiin toimijoihin sekä Afrikkaan

Plywood production and consumption in Europe (million m3)

<table>
<thead>
<tr>
<th>Plywood production 1 000 m3</th>
<th>2005</th>
<th>2010</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUROPE TOTAL</td>
<td>3 331</td>
<td>2 496</td>
<td>2 927</td>
</tr>
<tr>
<td>% world total</td>
<td>6 %</td>
<td>3 %</td>
<td>3 %</td>
</tr>
<tr>
<td>Finland</td>
<td>1 308</td>
<td>980</td>
<td>1 188</td>
</tr>
<tr>
<td>Baltic states (Estonia, Latvia, Lithuania)</td>
<td>298</td>
<td>266</td>
<td>373</td>
</tr>
<tr>
<td>Spain</td>
<td>360</td>
<td>248</td>
<td>340</td>
</tr>
<tr>
<td>Italy</td>
<td>390</td>
<td>310</td>
<td>234</td>
</tr>
<tr>
<td>France</td>
<td>389</td>
<td>222</td>
<td>226</td>
</tr>
<tr>
<td>Poland</td>
<td>144</td>
<td>145</td>
<td>252</td>
</tr>
<tr>
<td>Sweden</td>
<td>92</td>
<td>84</td>
<td>98</td>
</tr>
<tr>
<td>Romania</td>
<td>98</td>
<td>64</td>
<td>79</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>36</td>
<td>31</td>
<td>42</td>
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<tr>
<td>Portugal</td>
<td>40</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>38</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>138</td>
<td>108</td>
<td>52</td>
</tr>
</tbody>
</table>

Source: Indufor
Russia

- Large raw material resources and developing economy
- Strong market area where plywood production has doubled in the recent years
- Economy does not grow, which slows down investments.
- However, export of and domestic demand for plywood is expected to grow moderately

Raute and Russia

- Raute is the market leader in Russia
- Large forest resources and developing economy create good future growth potential
- Raute has growth potential also in technology services thanks to the large installed machine base

Plywood production and consumption in Russia (million m³)

Source: Indufor

Share of Raute’s order intake 2013-2015
## APAC

### China
- Biggest plywood manufacturer
- Manual production and simple technology, local producers are strong
- Increased quality requirements

### Rest of the Asia-Pacific area
- Plantation forests enable new growth for plywood production

### Raute and Asia-Pacific area
- Raute's strength is in handling of small-diameter plantation wood
- In China, increased quality requirements of the end product offer opportunities.

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#### Share of Raute's order intake 2013-2015

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#### Plywood production and consumption in Asia-Pacific (million m³)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>APAC TOTAL</td>
<td>43 056</td>
<td>58 759</td>
<td>73 245</td>
<td></td>
</tr>
<tr>
<td>% world total</td>
<td>59 %</td>
<td>72 %</td>
<td>74 %</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>25 965</td>
<td>45 327</td>
<td>55 137</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>4 534</td>
<td>2 996</td>
<td>5 788</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>5 006</td>
<td>3 901</td>
<td>4 154</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>3 212</td>
<td>2 287</td>
<td>2 902</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>2 130</td>
<td>2 154</td>
<td>2 521</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>405</td>
<td>366</td>
<td>345</td>
<td></td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>680</td>
<td>494</td>
<td>482</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>314</td>
<td>253</td>
<td>317</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>810</td>
<td>981</td>
<td>1 619</td>
<td></td>
</tr>
</tbody>
</table>

Source: Indufor/Faostat 2014

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Plywood production 1 000 m³ 2010 2005

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- Biggest plywood manufacturer
- Manual production and simple technology, local producers are strong
- Increased quality requirements
- Plantation forests enable new growth for plywood production
- Raute's strength is in handling of small-diameter plantation wood
- In China, increased quality requirements of the end product offer opportunities.
South America

**Plywood production and consumption in South America** (million. m³)

- Significant growth area in plywood production
- In Chile, high-quality raw material
- Chile produces plywood of very good quality
- End of 2013 and 2014, some 600,000 m³ of new capacity on line
- Strong growth and development over all

**Raute and South America**

- The structure of forest industry, abundant plantation wood resources and investments in value-adding products provide potential for further growth
- Raute has a strong position in Chile and some promising deliveries to Brazil
- Growth potential exists
North America

Plywood production and consumption in North America (million m³)

- Second largest plywood producer in the world and world largest LVL producer
- End-uses in construction have exceptionally high share
- Recovery from recession going on, however, takes time
- Investments mostly in modernization-type projects

Raute and North America

- Local machinery manufacturers have a strong position
- Raute has growth potential in comprehensive strategic investments of customer industries and technology services.
- Raute aims at stabilizing its position as automation expert in the area