Plywood production and consumption
Plywood production and consumption

Plywood production and consumption (Million m³)

- Production, Million m³
- Consumption, Million m³

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Consumption</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>2015</td>
<td>100.4</td>
<td>97.5</td>
</tr>
<tr>
<td>2017</td>
<td>107.4</td>
<td>105.2</td>
</tr>
</tbody>
</table>

Source: Indufor

Plywood production by market area (Million m³)

- Highest production in NAM, EMEA, Russia, LAM, China, Rest of APAC
- Biggest potential in China

Year
- 2013
- 2014
- 2015
- 2016
- 2017

Production and consumption
- 2000
- 2005
- 2010
- 2015
- 2017

Our biggest markets are EUR, Russia and NAM

Biggest potential in China

+85% from year 2000

Plywood consumption by end-use category

- NAM
- EMEA
- Russia
- LAM
- China
- Rest of APAC

Construction 30%

Flooring 5%

Packaging 9%

Transport vehicles 7%

Other 15%

Furniture 38%
LVL Production and consumption

**LVL production and consumption (Million m³)**

+57% within seven years

**LVL production by market area (Million m³)**

Growth in all markets

Our biggest potential market is NAM

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2,975</td>
<td>2,687</td>
</tr>
<tr>
<td>2010</td>
<td>1,605</td>
<td>1,534</td>
</tr>
<tr>
<td>2015</td>
<td>3,791</td>
<td>3,840</td>
</tr>
<tr>
<td>2017</td>
<td>4,362</td>
<td>4,403</td>
</tr>
</tbody>
</table>

Source: Raute, NAM data FEA
Market areas

North America
- Replacement investments and modernizations
  - 11%

Europe
- Developing existing capacity
  - 3%

South America
- Plantation wood resources
  - 5%

Africa
- Local wood reprocessing
  - 2%

Russia
- Development of production technology
- Exploiting wood resources
- Export products
  - 4%

Asia-Pacific area
- Plantation wood resources
- Increased quality requirements and industrialization in China
  - 75%

Market area’s share of Raute’s order intake in 2015-2017
- Plywood production by market area in 2017
Focus on emerging markets

North America
The world’s 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.

- The biggest operator. The objective is to maintain the leading position and to deepen cooperation with customers in order to boost their production processes in the long term.
  ► Production efficiency and quality improvements, service business.

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

- 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.

Europe & Africa
5%

North America
11%

Rest of Asia-Pacific area
Strong shift from natural forests to plantations

- The strength: Processing of raw material from small-diameter plantation trees.
  ► New growth of plywood production enabled by plantation forests.

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

- To become a significant operator.
  ► Higher quality requirements.

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

- The market leader
  ► Extensive forest resources and developing economy. Technology services.

China
59%

Rest of Asia-Pacific area
16%