



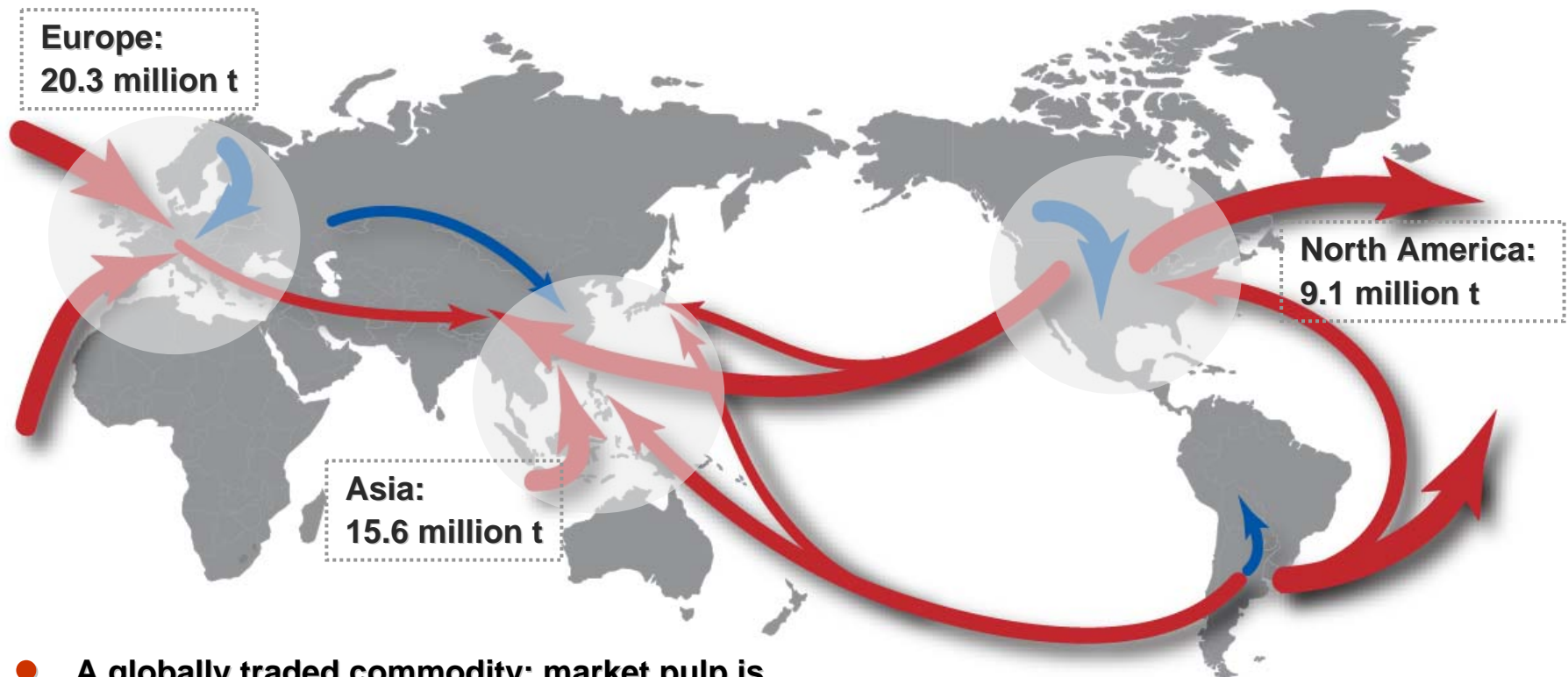
HAWKINS WRIGHT

PPI Market Pulp Conference
Lisbon, April 2008


Tom Wright



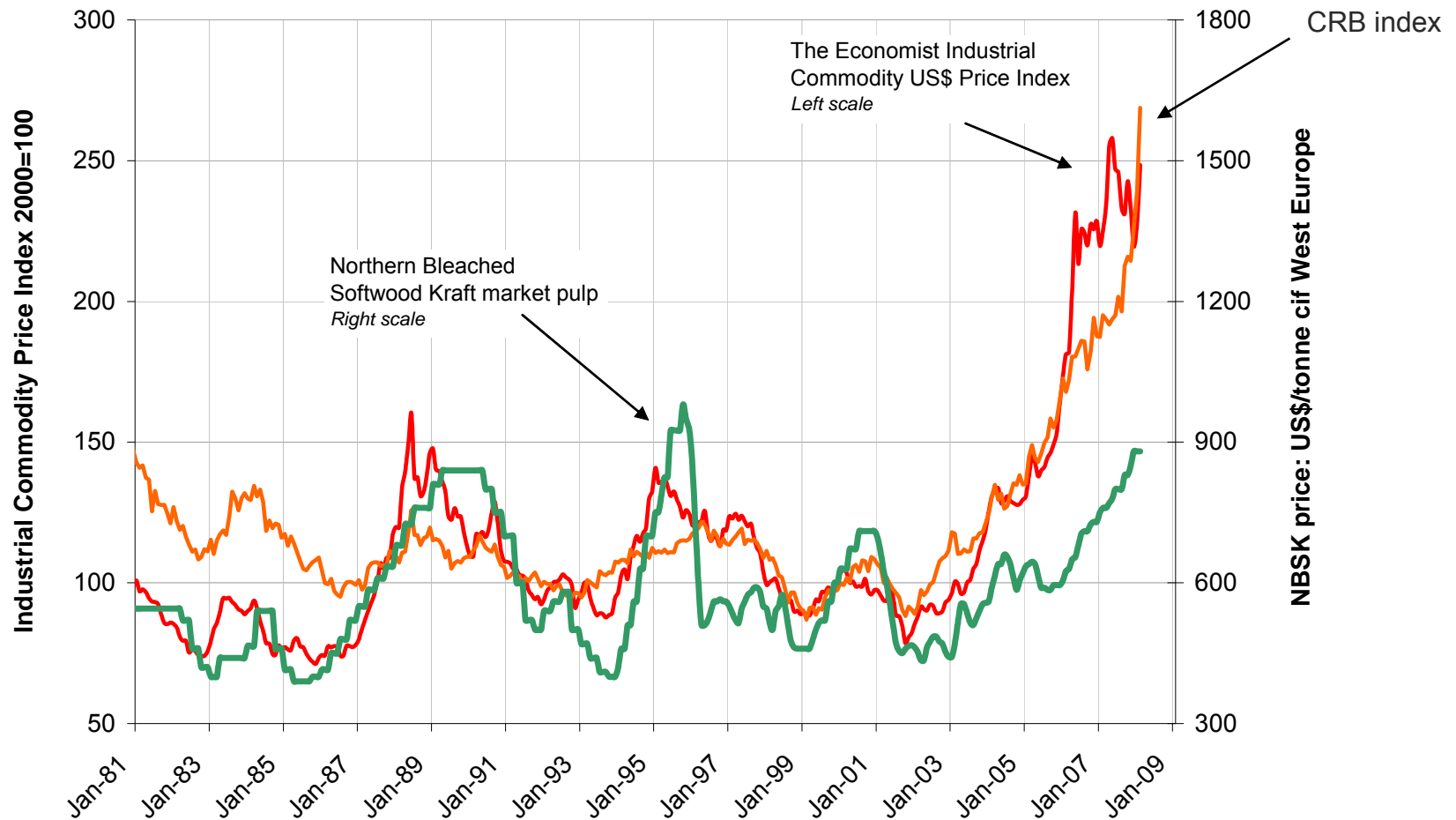
Main flows of wood pulp trade



- **A globally traded commodity: market pulp is produced in 30 countries by approximately 75 companies in at least 183 mills worldwide**
- **The biggest supplier (Aracruz) has a market share of just 5.8%. The Top-10 producers' share is 38%**
- **Approximately 80% of market pulp crosses an international border to reach its market; 40% crosses an ocean.**

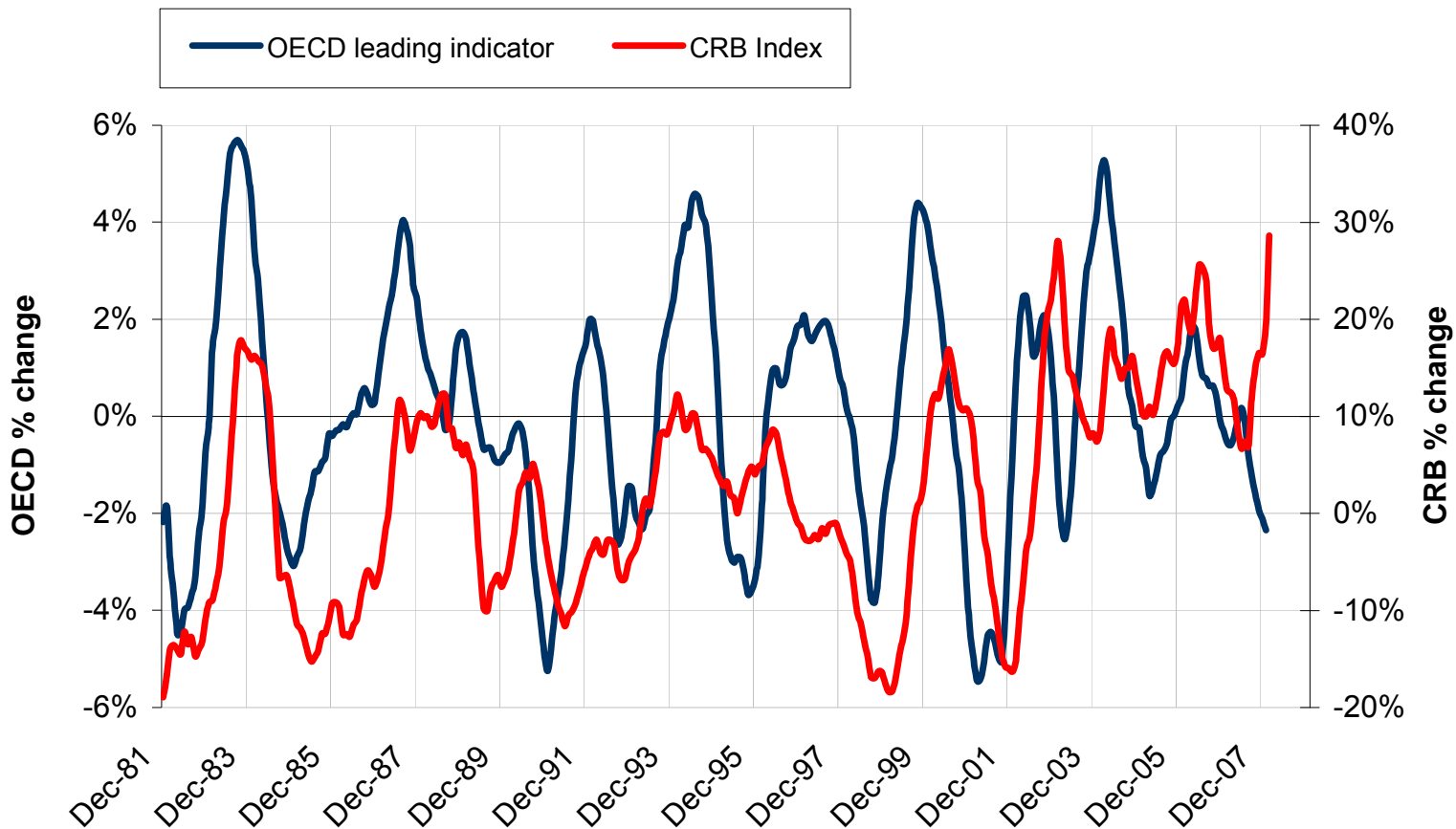
 = market pulp demand (2007)

Pulp versus other commodities



Sources: The Economist (commodity price index); Hawkins Wright (pulp prices)

Commodity contradictions...



CRB index includes energy...

Shipping (Dry bulk) index



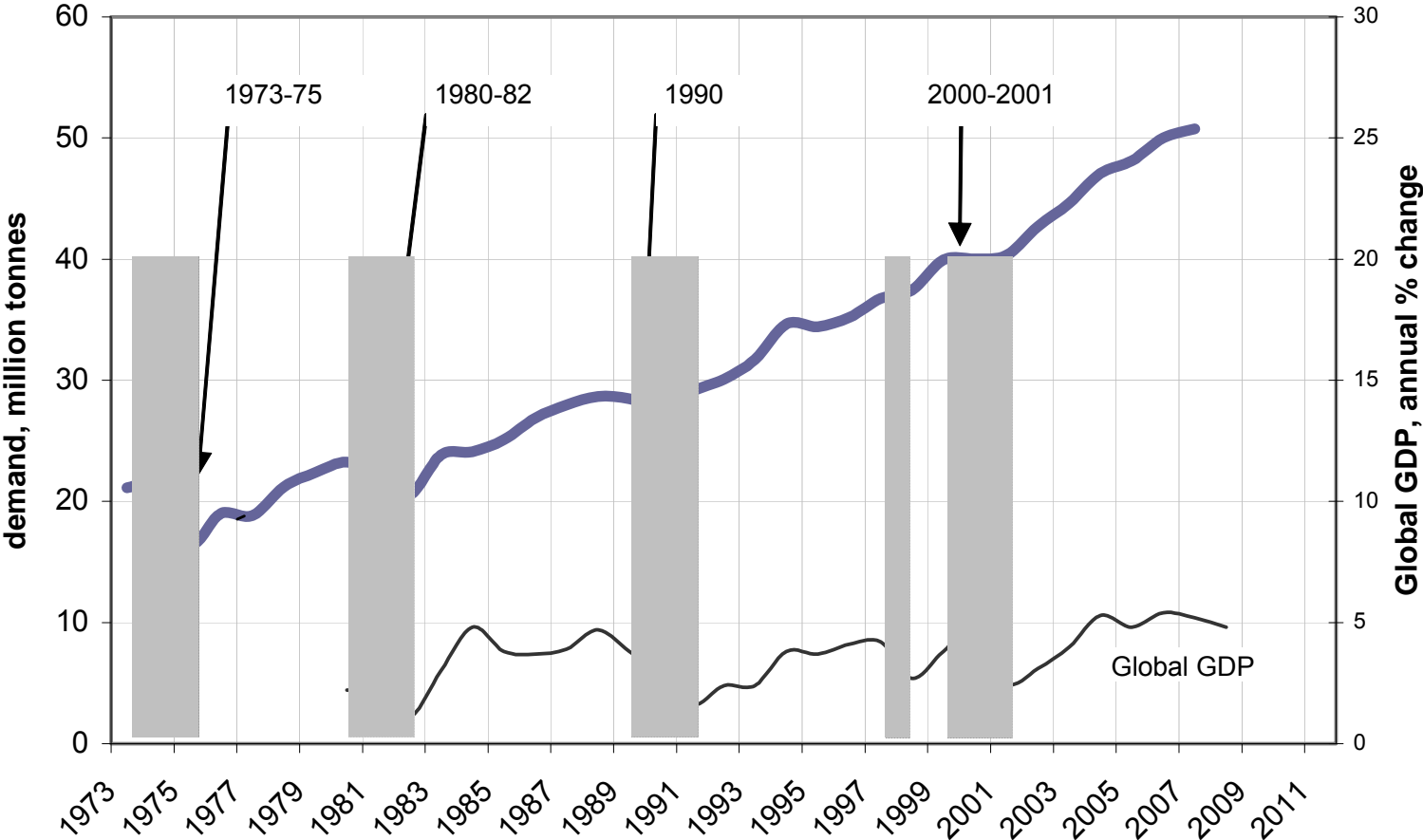
Baltic Dry Index



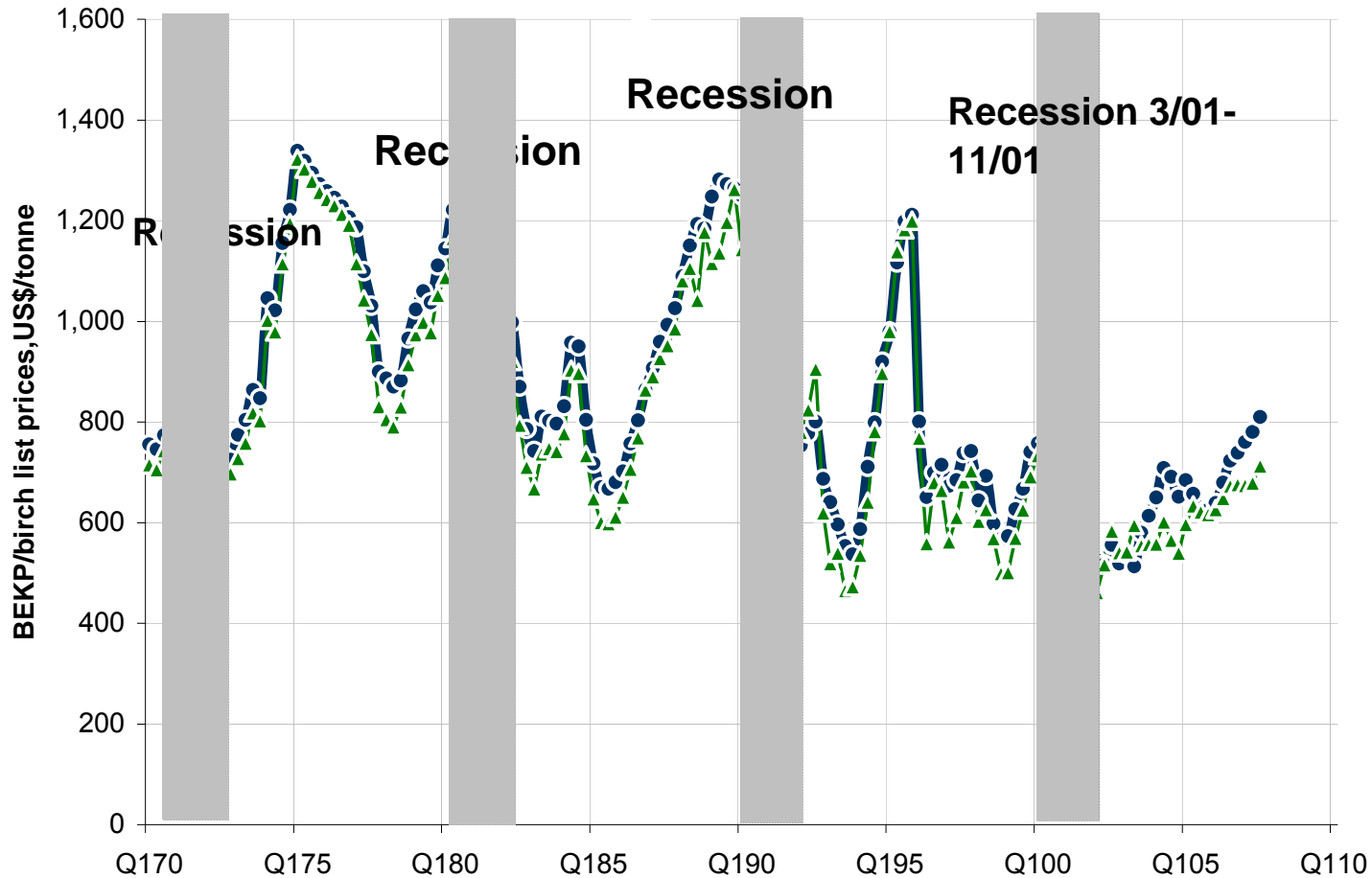
Source: Baltic Exchange



Recessions and BCP demand



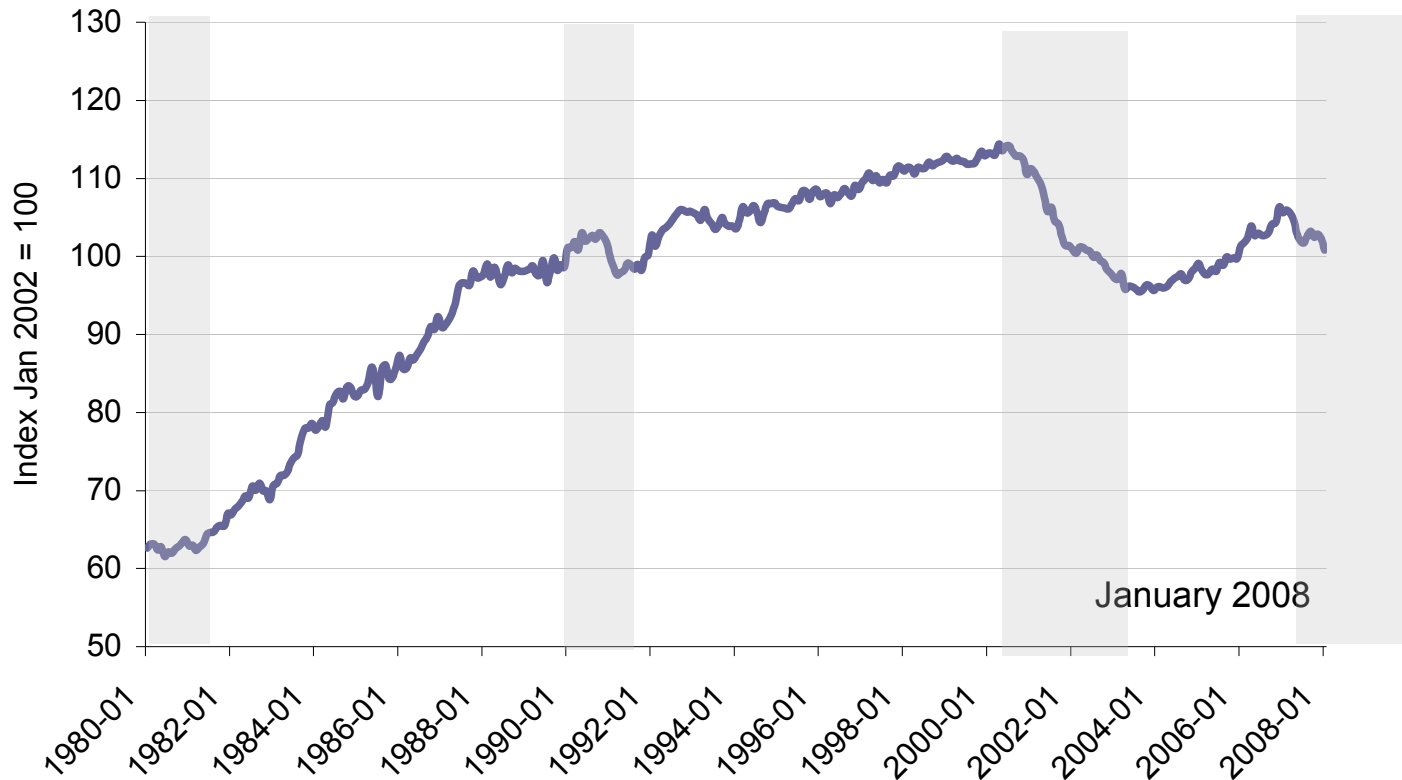
Recessions and Constant Prices



US printing and support output index

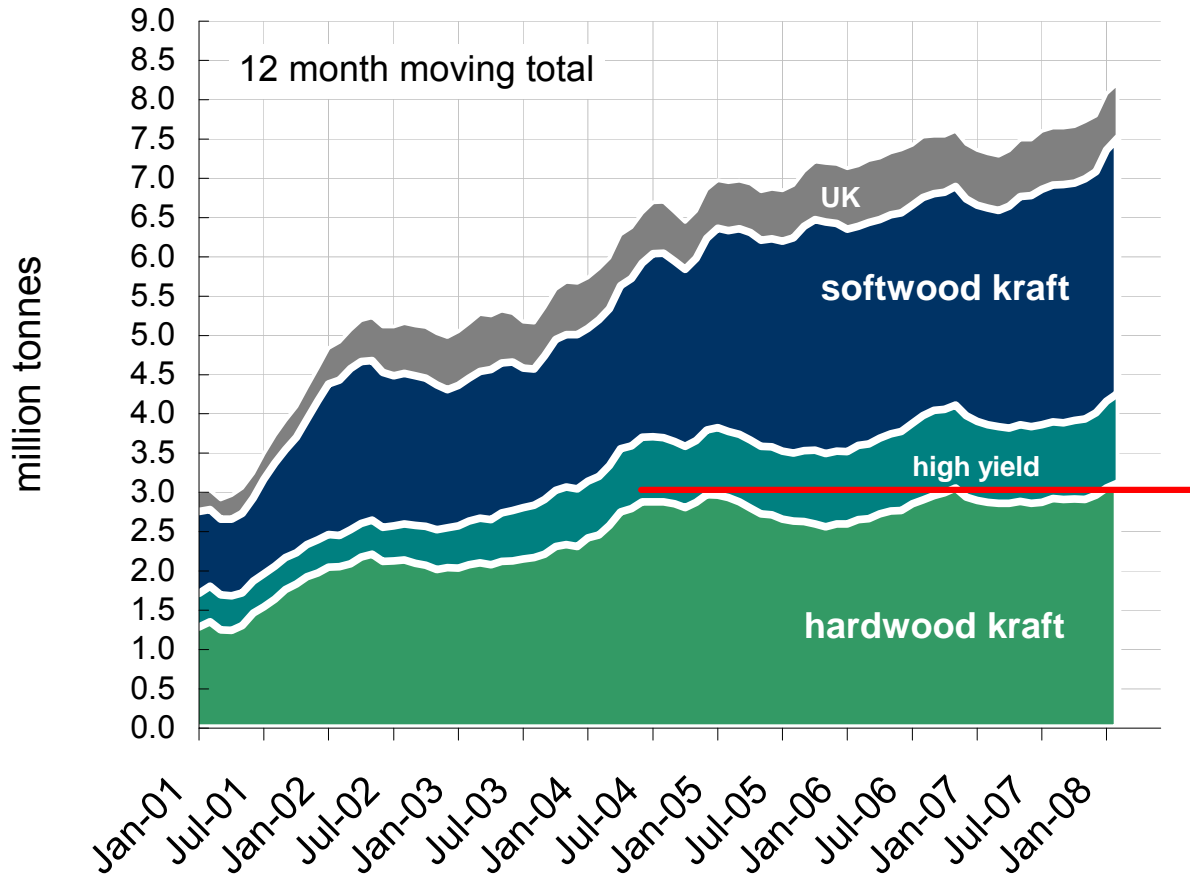


US printing and support output index

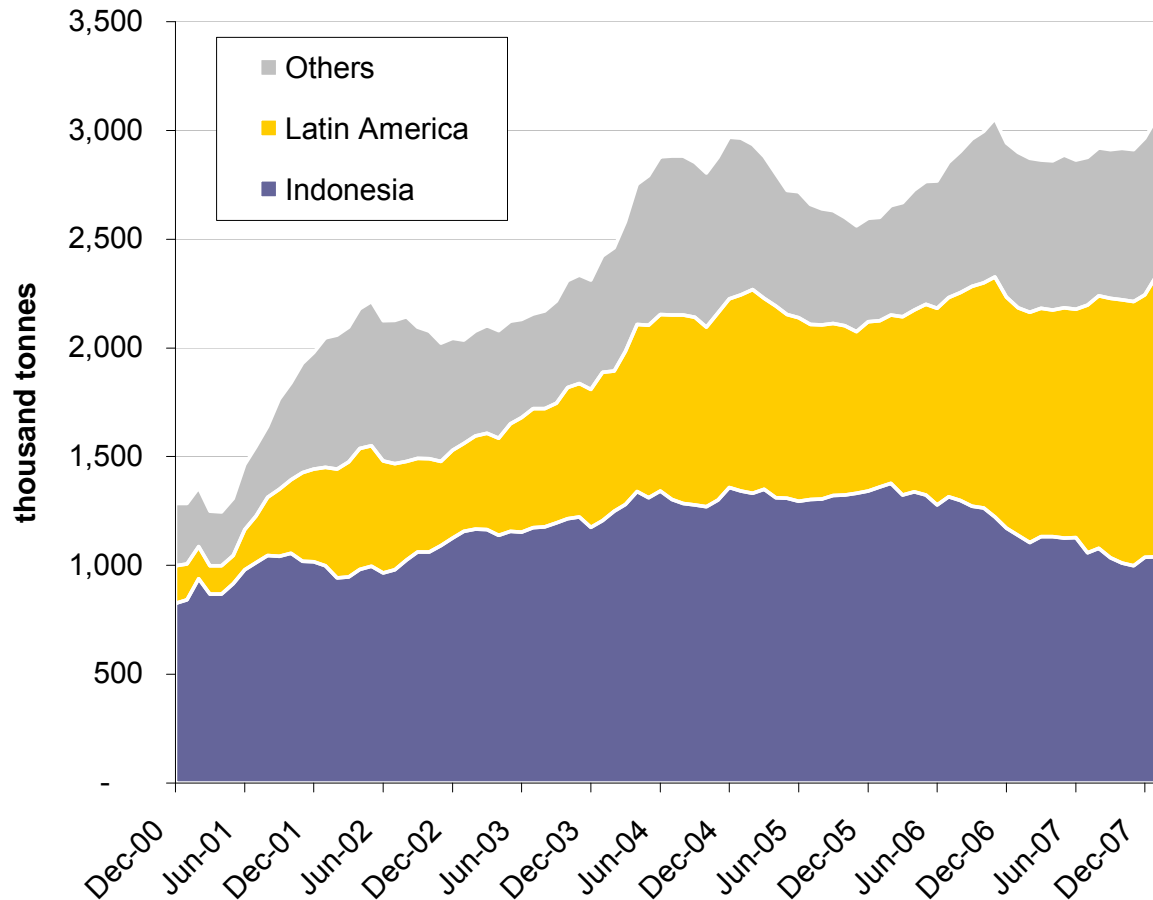


Note: Seasonally adjusted
Source: Federal Reserve

Chinese import growth



Chinese BHP imports



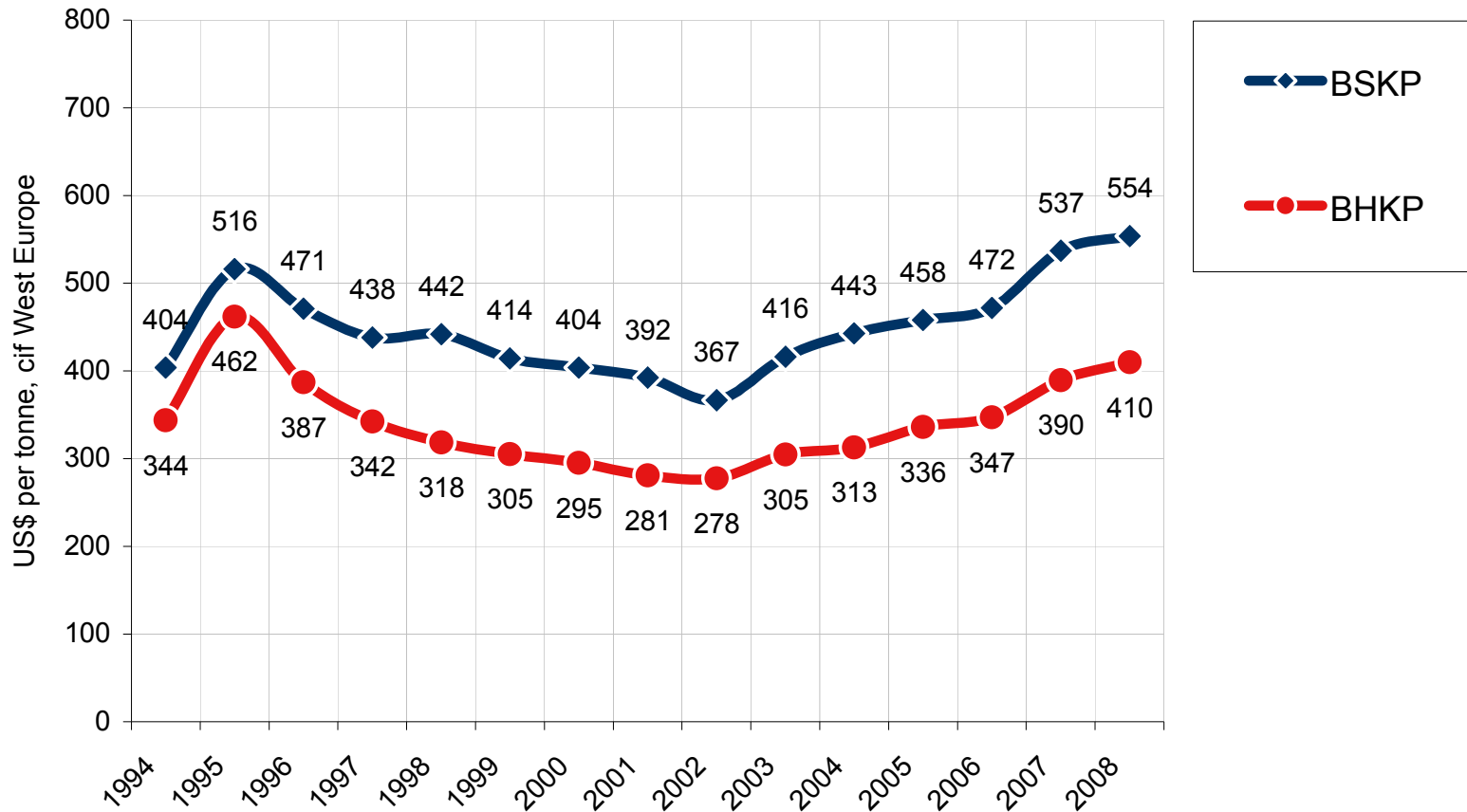
Market share '06: 36%

Market share '07: 44%

Market share '06: 40%

Market share '07: 33%

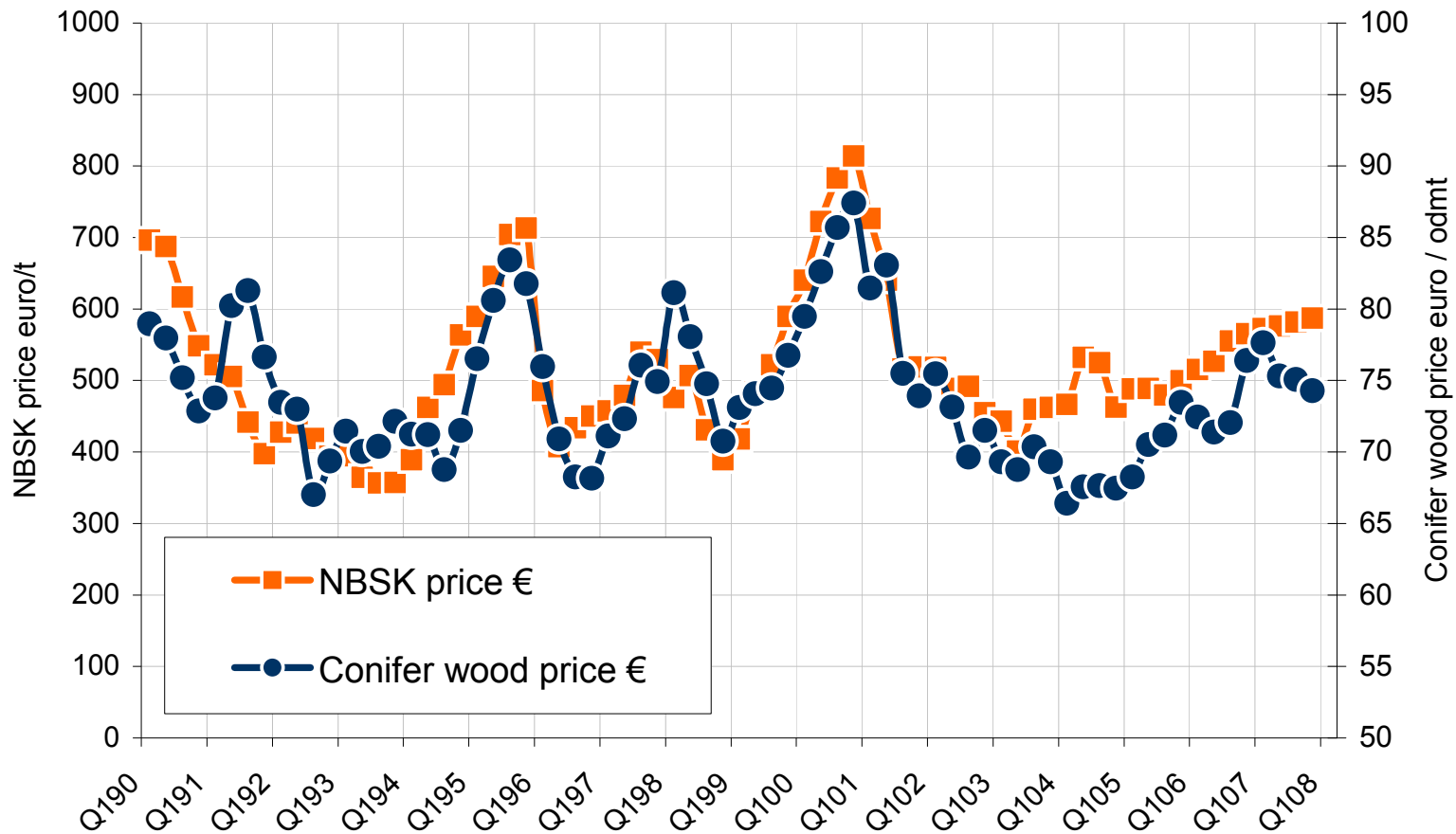
Global Weighted average costs of production





Fibre costs and pulp prices

Conifer wood prices and NBSK prices in euro



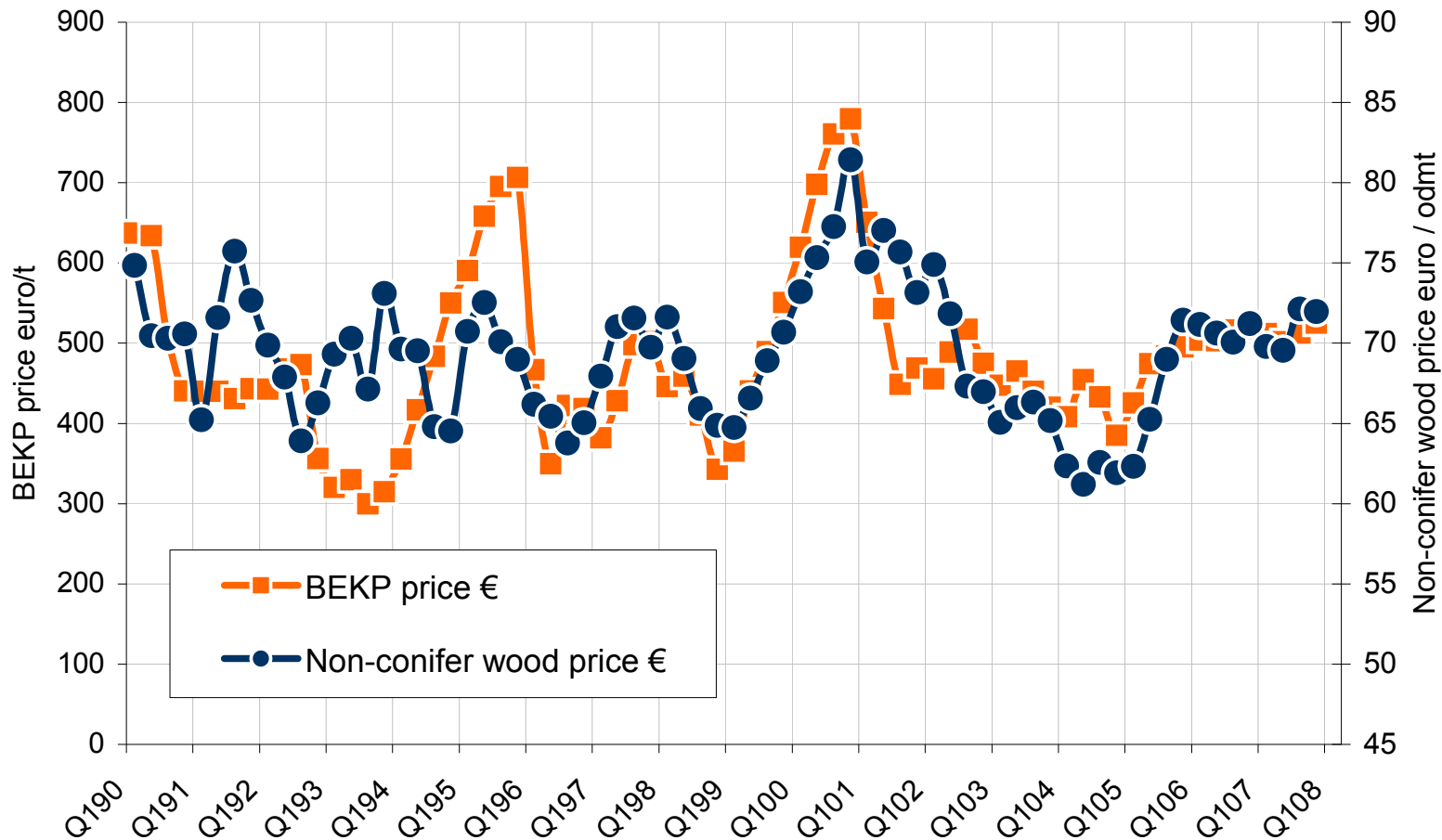
Source: Wood resource quarterly

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Fibre costs and pulp prices

Non-conifer wood prices and BEKP prices in euro



Source: Wood resource quarterly

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