



IGGESUND

HOLMEN GROUP



SUPPLY CHAIN COLLABORATION

SOME PRACTICAL EXAMPLES

- ❖ Who are we?
- ❖ Joining forces
- ❖ Juggling – relationships, cost and service
- ❖ Broadening horizons

WHO ARE WE?

*Part of the **Holmen Group***

Holmen Group

IGGESUND
HOLMEN GROUP

Core businesses: newsprint, magazine paper and paperboard



HOLMEN
PAPER



IGGESUND
HOLMEN GROUP



HOLMEN
TIMBER



HOLMEN
ENERGI



HOLMEN
SKOG

Market Sectors

Packaging

- Pharmaceutical
- Frozen / chilled / ambient food
- Confectionary
- Cosmetics / toiletries

Graphics

- Paperback covers
- Calendars
- Brochures
- Postcards
- POS material

Tobacco

- Cartons
- Inner frames
- Lids

JOINING FORCES

Group Logistics

Mills



Sheeting stations



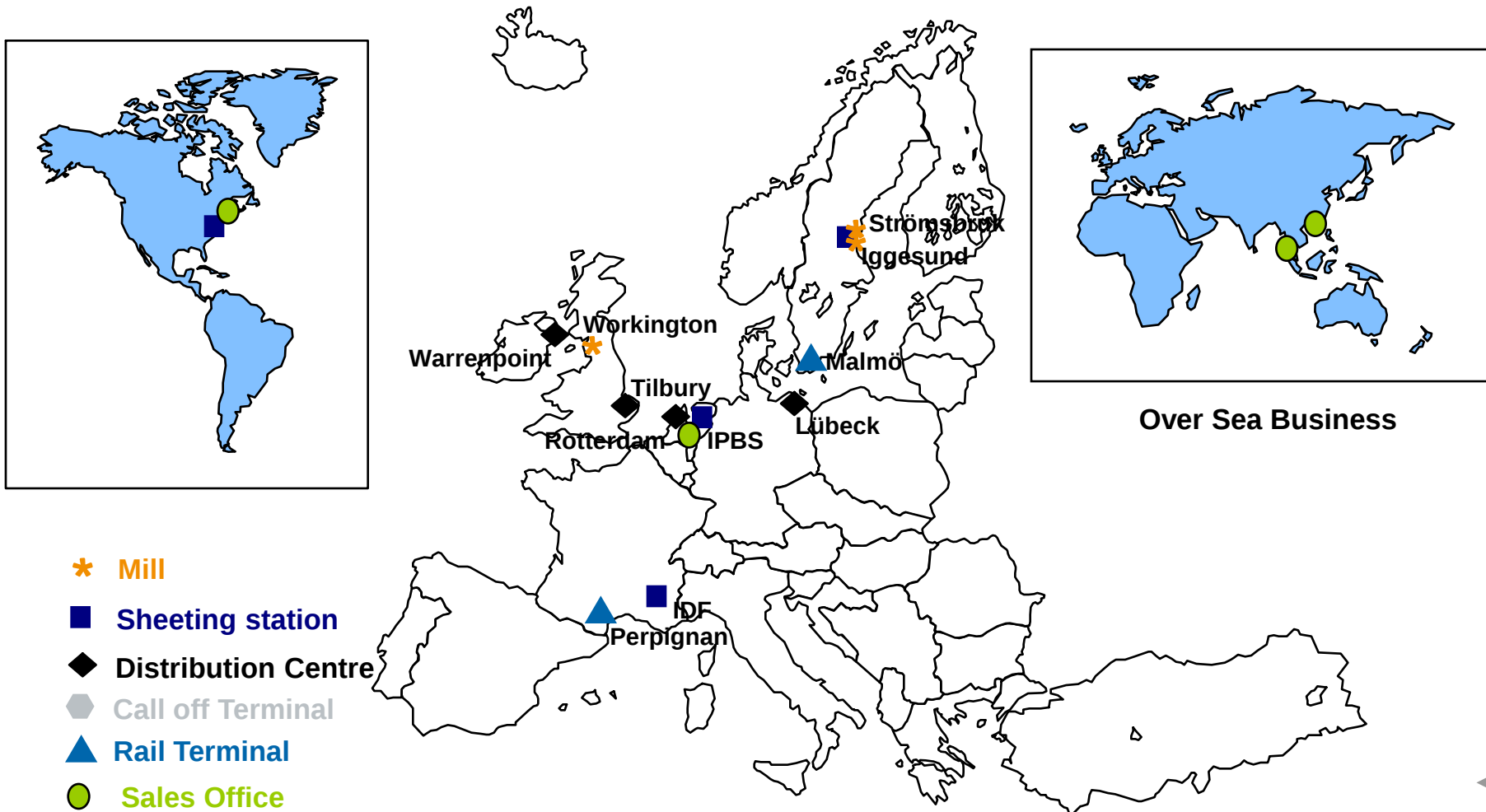
Terminals



Transport means



Production Units and Hubs

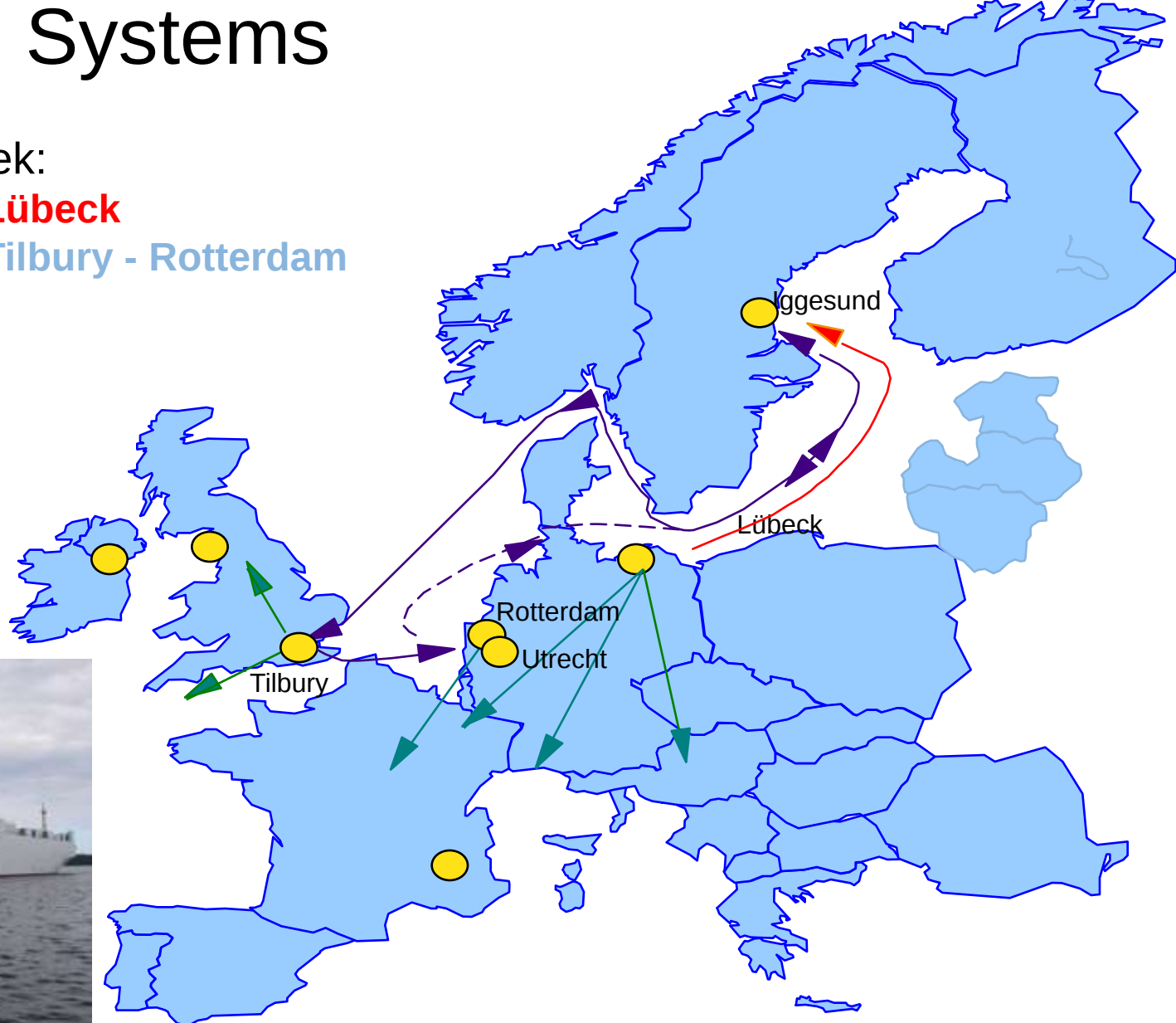


Vessel Systems

Twice a week:

► Iggesund - Lübeck

► Iggesund - Tilbury - Rotterdam



Vessel Systems

- Joint logistical solution with our competitors
 - SCA
 - M Real
- Borne out of a recognition of common logistical issues:
 - Distance to key markets
 - Geographical isolation
 - Production facilities in same region

Road / Warehouse Solutions

UK

- Shared transport / warehouse operation:
 - local industry
 - competitors
- Benefits achieved on part loads
- Combined volumes help to maintain efficiency
- Higher service levels

Mainland Europe

- Shared transport & warehousing solutions:
 - Northern Germany
 - Holland
- Combining flows and maximising efficiency

THE JUGGLING ACT

Relationships, cost & service

In all cases

- Relationships established & maintained
- Product flows clarified – no surprises!
- Volumes agreed in line with available capacity
- Priorities discussed
- Service levels agreed
- Contingency plans put in place & tested
- Commercial framework agreed upon

Above all – operational and financial risk minimised

BROADENING HORIZONS

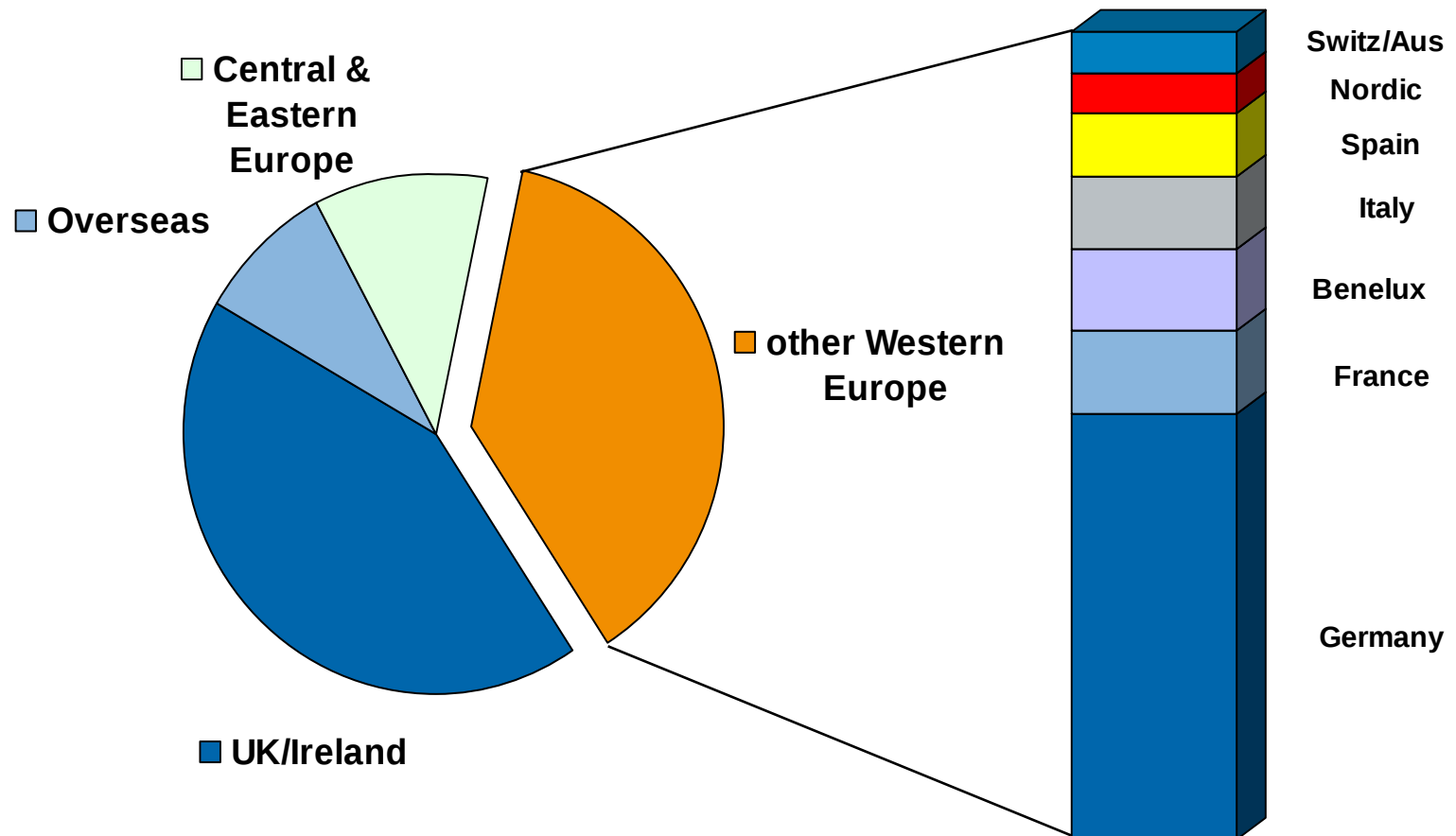
Influencing factors

- Rising energy prices
- Rising raw material costs
- Increased competition from Asia and S. America
- An eastward moving market

Manufacturing & supply chains have to become increasingly efficient

Sales per Market 2007

Workington Mill



Key messages

- This is not unique in the Scandinavian Forest Products Industry
 - Success can only be achieved through:
 - Willingness to participate / commitment
 - Common goals
 - Openness
 - Communication
 - A shared approach can:
 - Reduce and control costs
 - Improve service
- } Enhance competitiveness

