



**James Jones  
& SONS LIMITED**

EATTA meeting

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James Jones & Sons Ltd

26<sup>th</sup> September 2012





- Saving the good news for last!
  - UK & Eire perspective



# Overview

- James Jones – Who are we?
- Market Demand / Penetration & UK share
- Eire
- Round wood availability & Phytophera



# James Jones & Sons Ltd - Group



- Equity shareholder in forestry management business



**James Jones  
& SONS LIMITED**  
TIMBER SYSTEMS DIVISION

- JJI-Joist



**James Jones  
& SONS LIMITED**

- Sawmilling
- Harvesting



- Pallet Manufacture
- Pallet repair



- Partner in UK's largest potato box manufacturer



- Joint venture in timber treatment business: Canada/USA

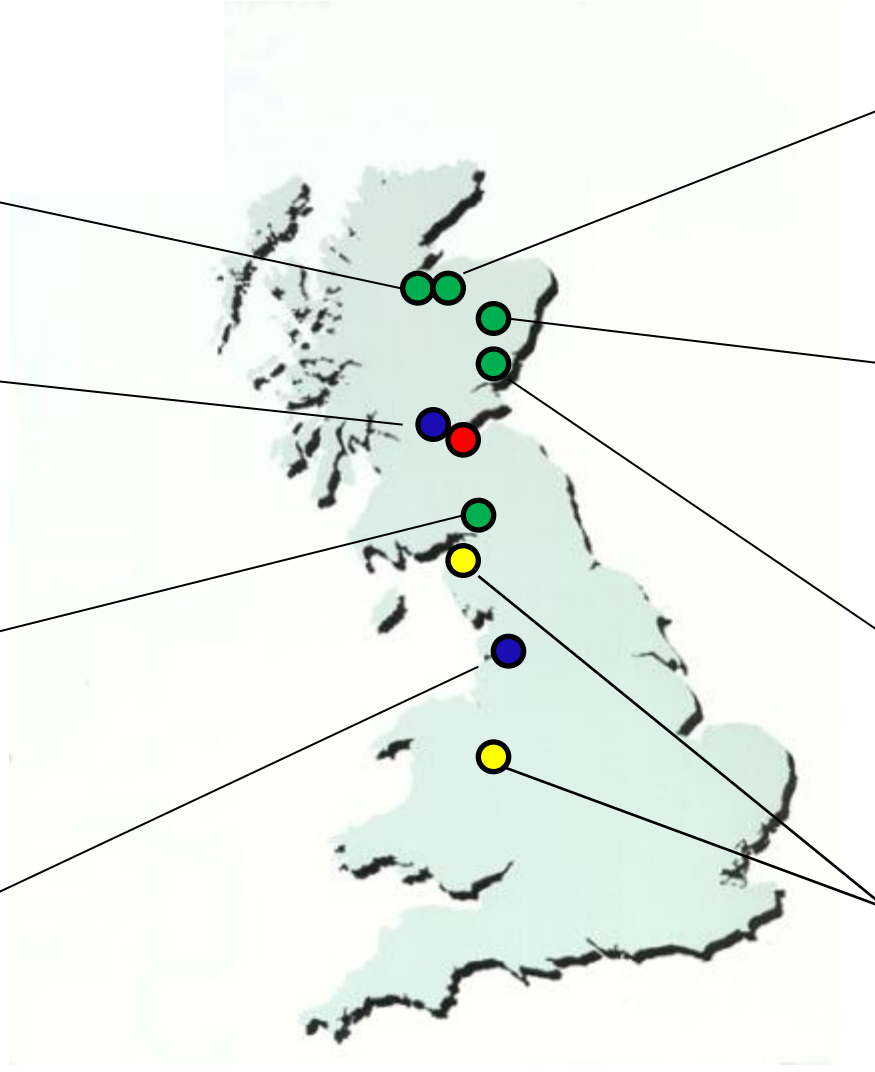


- Pallet Manufacture





# Locations



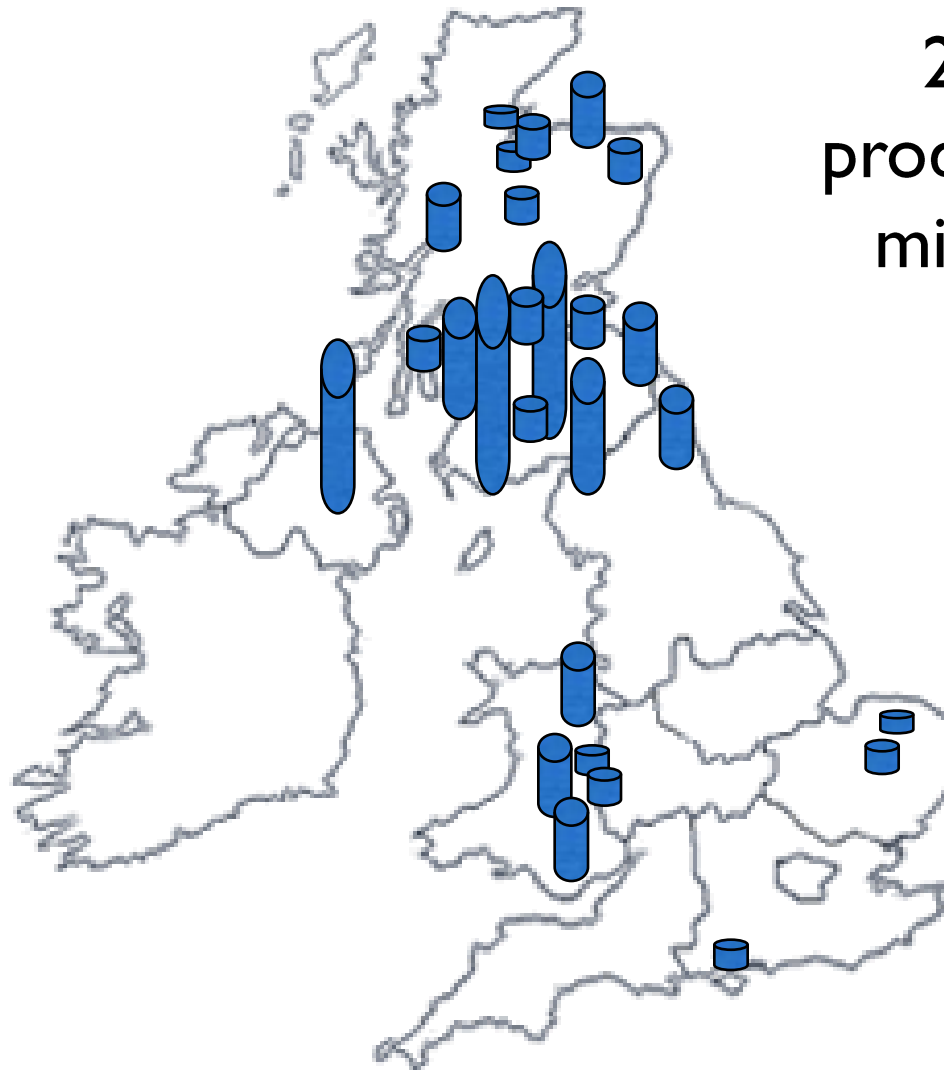


# Market Demand / Penetration & Share

- 2012 market forecast 7.6 million m<sup>3</sup>
- 2012 UK & NI mills est. 3.23 million m<sup>3</sup>
- 41 – 42% Market Share (source UPM Tilhill)
- 2012 Eire mills (exports to UK) est. 300,000m<sup>3</sup>
  
- 2013 UK & NI mills est. 3.34 million m<sup>3</sup>
- 2013 Eire mills (exports to UK) est. 350,000m<sup>3</sup>
- Potential UK & Eire market share 49 - 50%



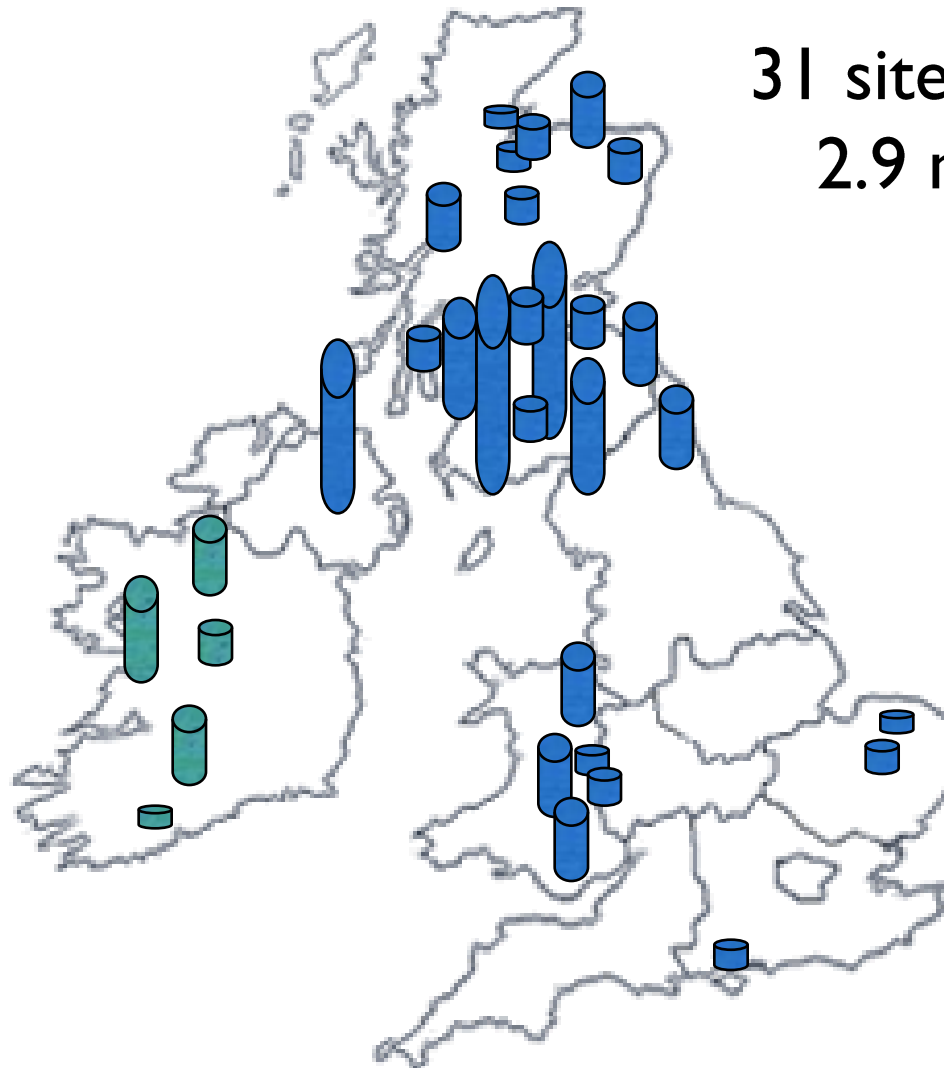
# Mills over 30,000m<sup>3</sup> annually UK & NI



26 sites  
producing 2.6  
million m<sup>3</sup>



# Mills over 30,000m<sup>3</sup> annually UK , NI & Eire

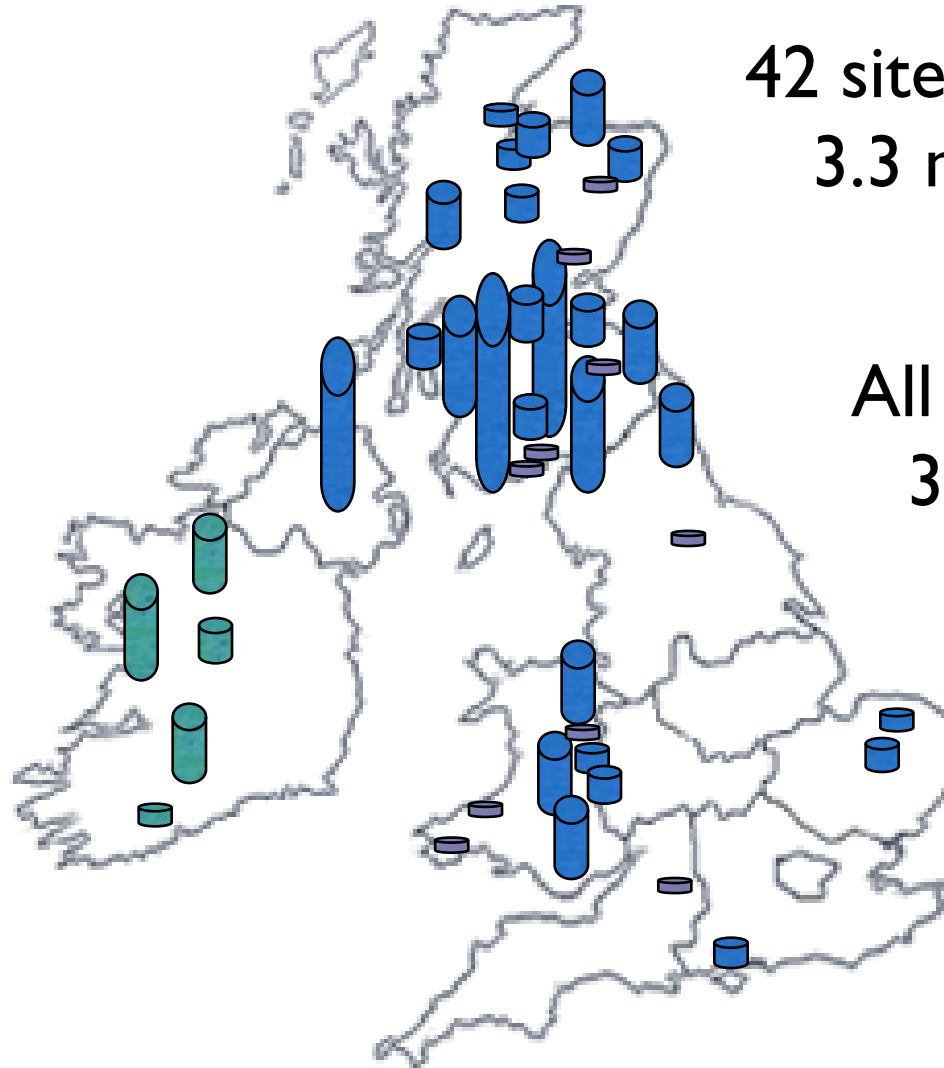


31 sites producing  
2.9 million m<sup>3</sup>





# Mills over 10,000m<sup>3</sup> annually UK , NI & Eire



42 sites producing  
3.3 million m<sup>3</sup>

All sites UK & Eire  
3.65 million m<sup>3</sup>



# Eire

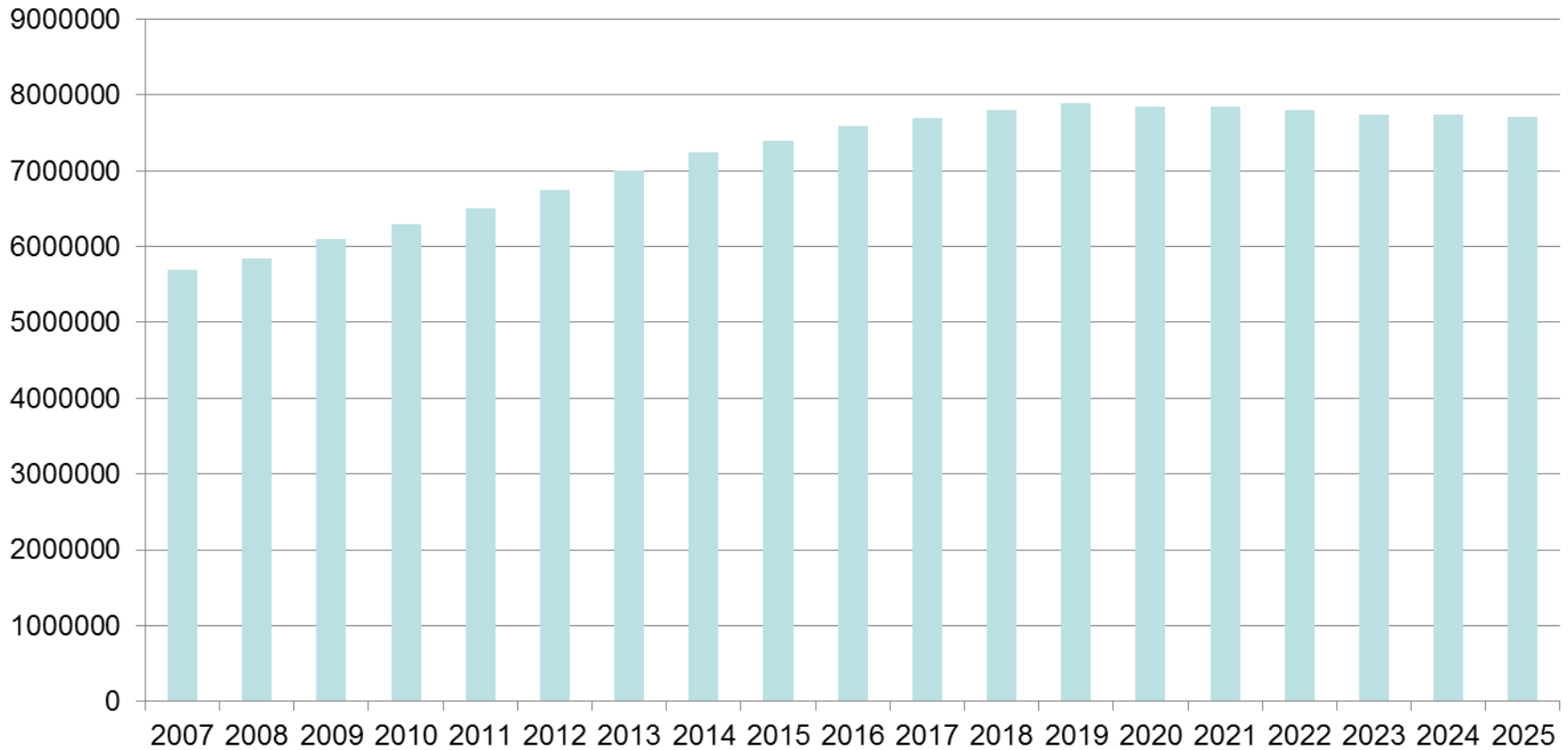
- Domestic market – Dire and no sign of improvement
- Modern efficient mills geared to Eased Edge carcassing production
- Most companies have strong balance sheets and deep pockets
- It coming to the UK!!!!
- Expansion beyond 350 -300,000m<sup>3</sup> (sawn) unlikely due to limited log availability





# Potential Availability for Coniferous Sawlogs in Britain to 2025

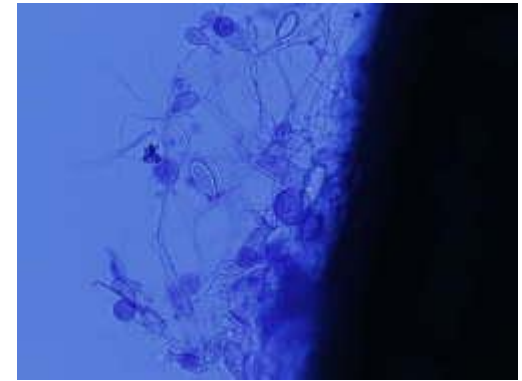
**Coniferous Sawlog Availability (Tonnes)**





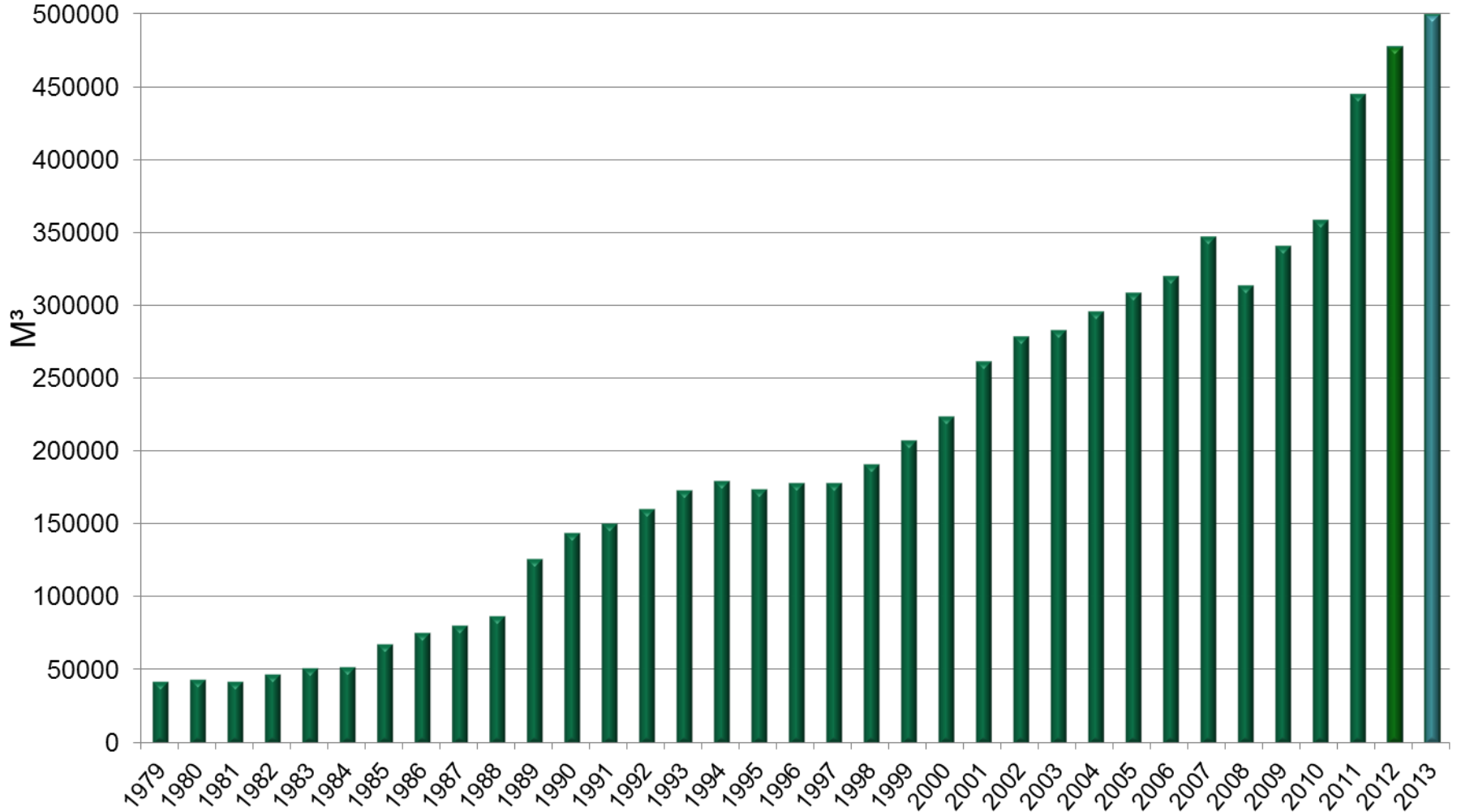
# Phytophthora Ramorum - Larch

- Fungus like Pathogen
- First identified in UK commercial species in 2009
- Particularly affecting Japanese Larch, in the UK
- Kills trees by invading and destroying the cambium layer
- No cure has been found
- Infected trees have to be felled
- Higher volumes of Larch entering the UK round wood supply chain
- Prices lower, but underpinned by biomass demand and offset by reduced chip, sawdust and bark prices
- Conclusion





# JJSL Annual Sawmill Production





# Outlook

- UK mills enjoy a price advantage over Scandinavian & Baltic
- Eire mills output limited by log availability, but they are here to stay
- 2012 overall will have been a good year for UK mills, albeit demand heavily skewed to the first half
- Prompt response to rise in demand (January Gales) and to fall in demand (Q4 production cuts JJ & BSW)
- Impact of Biomass both positive & negative
- Impact of P Ramorum – minimal on carcassing
- Expectation of a challenging winter
- Most mills optimistic in medium to long term







**James Jones  
& SONS LIMITED**

Thank you for your  
attention

