

# news

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## UK CCM price increases

With European demand for Testliner and Fluting at above average levels, particularly in Germany and Eastern Europe, it comes as no surprise that the current round of casemaking raw material price increases (£25-30/tonne dependant on grade — effective September) in the UK was led by European mills.

Following several years of continued consolidation and closure of some of Europe's smaller and inefficient mills, the current and predicted European capacity/demand balance is under pressure right across the European market — particularly for lightweight grades — creating the environment for the current round of price increases.

Of the total demand in the UK for recycled grades of 1.7 million tonnes, some 450,000 tonnes is imported from Europe — predominantly Germany, France and Spain. UK domestic production and imports combined are barely meeting the UK's growing demand for lightweight grades with boxplant stocks of lightweight fluting (90-100gsm) at their lowest level for many years. In fact, so tight is the fluting market, that imports of 95gsm fluting from Nine

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## IP and Ilim Holding SA

Agree to form a 50/50 JV

3 SEP 2007

International Paper and Ilim Holding SA have signed a definitive agreement to form a 50/50 joint venture, the largest foreign-domestic alliance in the Russian forest product sector. The joint venture will operate as Ilim Group. The transaction has been placed at around \$650 million.

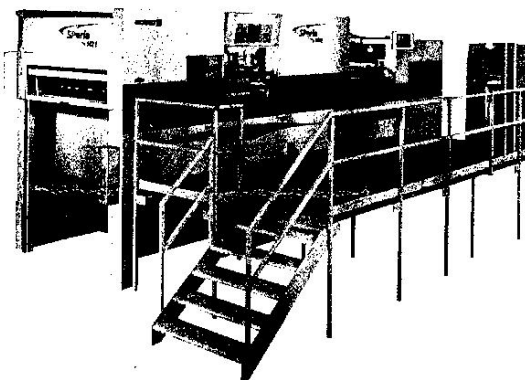
"After extensive negotiations and due diligence, we remain impressed with Ilim's performance and potential, and with demand growth in Russia and Asia for our key products," International Paper Chairman and Chief Executive Officer John Faraci said. "Ilim has continued to strengthen its operations and substantially improve its profitability, and we're investing at a good multiple and expect attractive returns. As we continue to transform International Paper, focusing on our global paper and packaging businesses, the joint venture with Ilim positions us very well within low-cost, high-growth markets in Russia and Asia."

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## Another Bobst for OPL

### Speria 142-E large format die-cutter

UK-based Offset Productions Limited (OPL) has promptly followed up the purchase of an Asitrade Foliostar sheet-to-sheet laminator by ordering a Bobst Speria 142-E die-cutter. The line is the third element of the company's planned £3m investment programme. OPL Managing Director, Hugh Jarvis, said "Having ordered a KBA Rapida 142 press and a



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## Powerflute investment

Powerflute Oyj, producers of semi-chemical fluting, has signed an agreement with Vaahto Pulp & Paper Machinery to supply and install a new headbox and upgrade the short circulation system at its Savon Sellu mill. The company will continue its mill automation upgrade programme with Honeywell, in line with the Life Cycle Management Agreement they entered on 28th July 2006.

This investment package, especially the dilution controlled headbox, will bring substantial improvements in moisture and basis weight profile management, as well as increasing productivity. Improved performance at the paper machine will lead to better consistency and performance on customers' corrugators. The investment programme will start in May 2008, during the annual 7 day close-down. The total cost of the project is expected to be approximately €5 million. Commenting on the announcement, Don Coates, CEO of Powerflute Oyj, said: "This investment is an important step for Powerflute and will help us to retain our position as a quality leader in the semi-chemical fluting business."

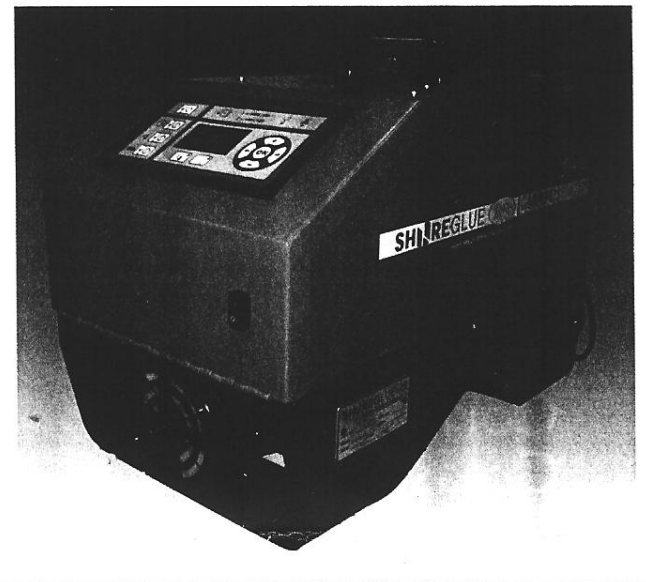
## Prices increases

Dragons and Lee and Mann of China over recent months have helped meet continuity of supply for several boxplants.

Combine the lightweight fluting 'shortage' with strong domestic demand for all grades of Testliner and Fluting and it is clear that the current price increase is mainly demand driven. With no significant new European capacity of containboard coming on stream until 2009/10, the UK industry can expect tight markets and further potential price increases for some time yet.

## D4-E Series is new

From light-duty, low-volume applications to medium-speed, high-volume case sealing and product assembly, Shure-Glue/Melton's D4-E gear pump hot-melt units deliver flexibility, performance and durability. Available for 120V AC or 240V AC operation, the new D4-E-melt units feature an easy-to-use LCD control panel and offer capabilities and features normally only available on more expensive hot-met systems. Specifics include programmable sequential zone start-up, automatic temperature setback, high/low temperature protection, high-pressure protection, Fahrenheit or Centigrade option, and seven-day programmable clock. The D4-E unit features a positive displacement motor-driven gear pump that offers a continuous pulse-free output and can be used with spray, ribbon coating, direct contact and high-speed jetting adhesive dispensing guns.



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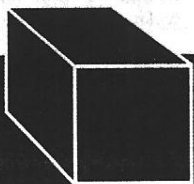
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