



James Jones & Sons Ltd

David S.Leslie : Senior Harvesting Manager.

Responsible for Harvesting and Roundwood procurement for
the companies 6 Sawmills in Scotland.





**Timber Development Programme
Improved Conifer Timber Quality through Plant Selection and Silviculture**



**Birnam Arts and Conference centre, Dunkeld
11th February 2009**

ARE WE CRAZY ?

Stephens Croft : Lockerbie

Sept 08



Dec 2008



Feb 2009





“James Jones and Sons announce £20m Sawmill investment at Lockerbie”

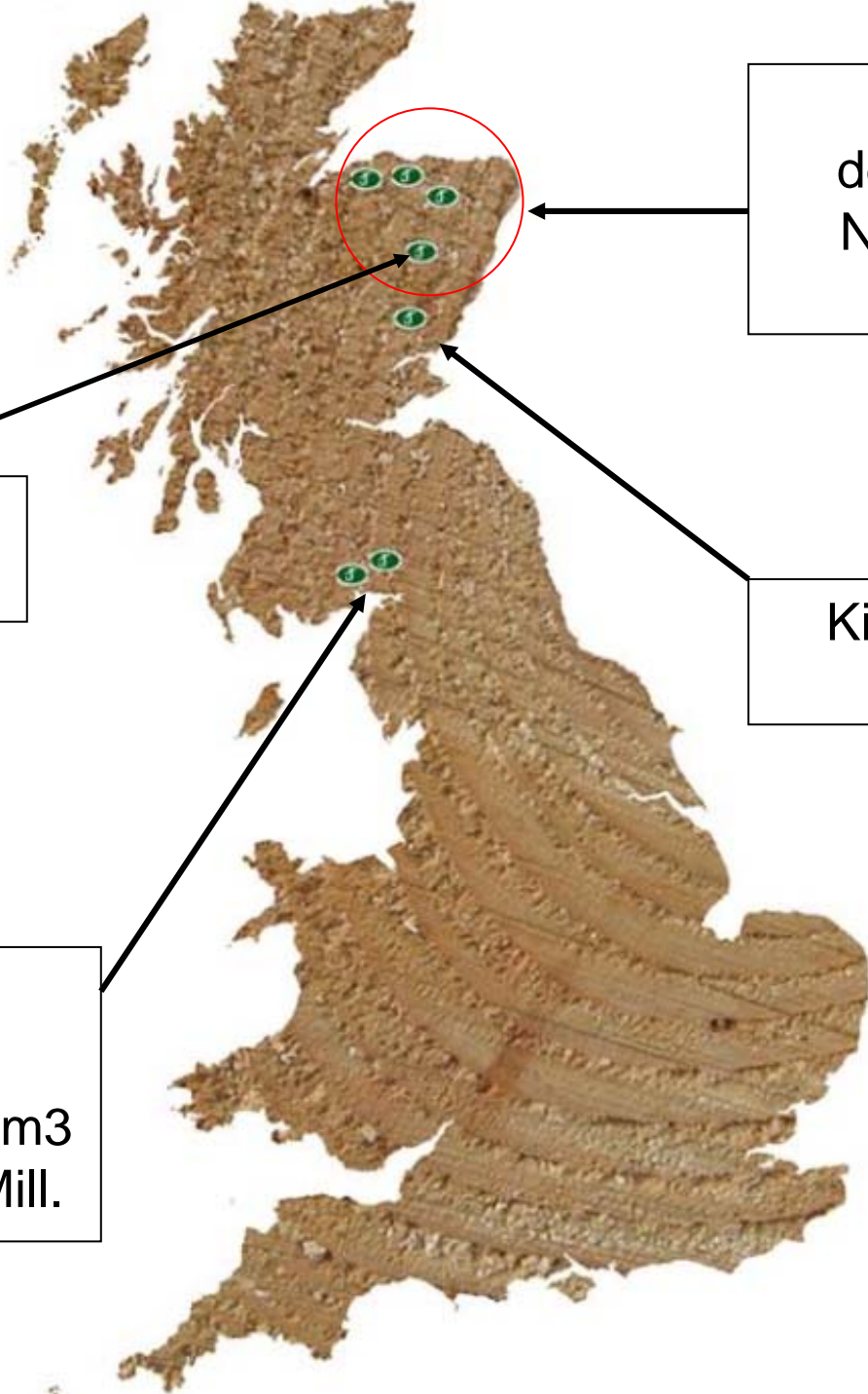
“UK House Starts fall by 50%”

“Recession may be worst for 100 years” Ed Balls.

“Euro at parity with Sterling!”

THE CROP – Quality, Availability, Sustainability.

**Ongoing
Developments**



Focus on
developments for
North East Mills :
2009-2014

Aboyne Biomass
Plant : 2008

Kirriemuir Edger.
2008

2009.
Lockerbie 3.
Additional 140,000m3
New Carcassing Mill.



**James Jones
& SONS LIMITED**

Lockerbie Sawmill.

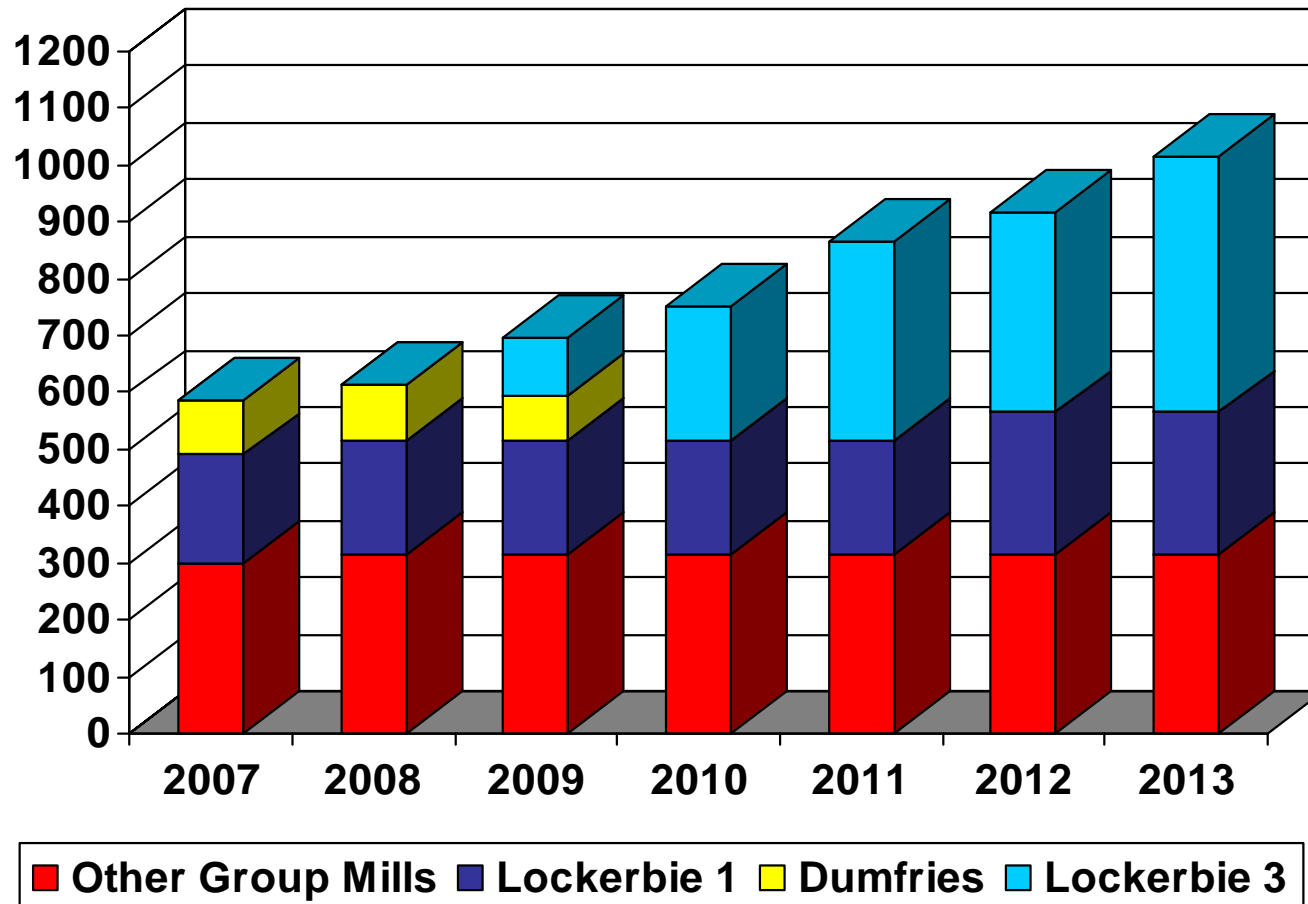


**James Jones
& SONS LIMITED**

- Total capex to date: £15M
- Lockerbie 3 : New Carcassing Mill
- Capacity:
 - 140K m3 (single shift)
 - 235K m3 (roundwood requirement)
- Estimated capex: ~~£20M~~ £22m!
- Estimated start up: Sept 2009



JJSL Group Roundwood Demand



The Crop.

Problems? What Problems?

Straightness.

Integrity.

Roughness.

Taper.



Straightness.

- Sweep.
- Crook.
- Corkscrew



Integrity.

- Rot/Degrade
- Stiffness
- Grain angle



Roughness.

- Knot size
- Knot frequency
- Included bark
- Flairs/Distortion



Taper.

- Excessive taper
- Inconsistent taper
- Ovality



Processing stages.

1. Harvesting
2. Haulage and handling
3. Sawing
4. Secondary processing
5. Sales



1. Harvesting



- Timber Recovery S I R T
- Wear and Tear S I R T
- Cost £/T S I R T
- Crop information S I R T
- Availability S I R T

2. Haulage/Handling



- Loading S I R T
- Transporting S I R T
- Conveying S I R T
- Debarking S I R T
- Scanning S I R T
- Storing S I R T

3. Sawmilling



- Conveying S I R T
- Sawing S I R T
- Chipping S I R T
- Breakout S I R T
- Co-Products S I R T

3. Secondary processing



- Kilning
- Grading
- Planing/Resawing
- Treating

S I R T

S I R T

S I R T

S I R T

3. Other issues



- **Reputation** - Poor product reaching market
- **Morale** - Reduced efficiency and issues!
- **Availability** - Output expectation by category.
- **Return** - Increased net sawmill costs.
- **Competition** - Substitution by others.

Why not mention selling?

- Fit for purpose .
- Grades/Standards (C16, BS etc)
- Information to Market.
- Ability to supply.

What are we doing about it?

1) Lockerbie 3 : Scan and Set Sawmill

S Curve sawing technology and handling.

I Scanners, acoustic tools, and photography.

R Diameter range, butt reducers, scanners.

T State of the art edging systems, scanners

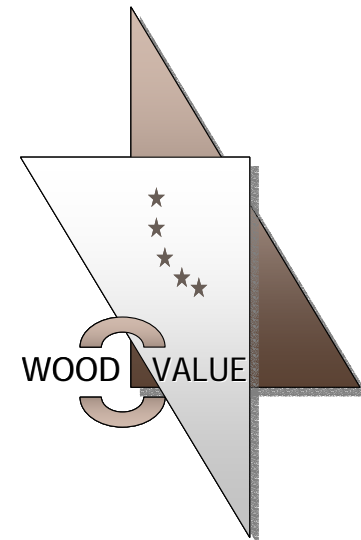
What are we doing about it?

2) Research and Development

Acoustics research/Scanner research.

Mill research and development.

European Research projects.



What are we doing about it?

3) PR, Representation, Advertising

Product development and marketing

Industry groups and consultation

Information on products, specifications.

Diversification !



- Equity shareholder in forestry business



- Pallet Manufacture and repair business



**James Jones
& SONS LIMITED**



- Joint Venture in lumber business : Canada/USA
- Investments in telecoms business : Italy

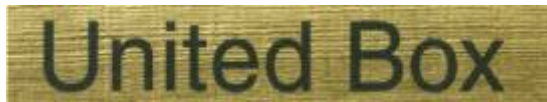


- Solid wood panel distribution



**James Jones
& SONS LIMITED**

- Sawmilling
- Harvesting
- Timber Systems



- Partner in wood product manufacturing business

Summary

- Recovery and Yield essential.
- Maintain efficiency through investment.
- Maximise value to grower.
- Maintain reputation in the market.
- Sustainability of supply chain to market.

We have got what we've got and we must make the most of it for our family firm to be in a position to benefit from the better crops in the future.

Thank You.

