

„JUNE 2007 TRADE MISSION TO CZECH REPUBLIC“

INDIVIDUAL MEETING ITINERARY

CZECH REPUBLIC

[CLIENT]

Mr. Firstname Lastname

■
OVERALL MISSION TIMEFRAME (p. 2)

■
IMPORTANT CONTACTS (p. 2)

■
PARTNER SEARCH AND MARKET OVERVIEW (p. 3)

■
DETAILED MEETING ITINERARY (p. 4)

■
PROFILES OF PROSPECTIVE PARTNERS (p. 7)

■
CZECH PAPER INDUSTRY OVERVIEW (p. 15)

■

PARTNER SEARCH & MARKET OVERVIEW

Based on the Company Form submitted by [CLIENT] and a follow-up teleconference, the EasyLink Consultant in the Czech Republic researched the Czech market with a view to identifying possible partners for [CLIENT]'s industrial drive systems within the paper industry. The search focused on three groups of prospective partners of interest:

- ▶ Pulp and paper manufacturers
- ▶ Technology OEMs (manufacturers of pulp/paper production machinery/plant)
- ▶ System integrators / process control specialists (active in paper industry)

An initial list of companies was presented to [CLIENT] for review and comments. The list was approved, with [CLIENT] requesting the EasyLink consultant to focus on larger paper producers (not processors), preferably with investments plans or at least intentions of such sort.

Secondly, interest was confirmed in view of meeting also Papcel, the only Czech OEM technology manufacturer.

System integrators were given lowest priority – eventually they were not even contacted as response from the first two groups was positive and filled up the time that [CLIENT] would have available for meetings in the Czech Republic.

[CLIENT] itself brought up two investment projects described in the RISI subscription system. Of these two, one (Mylykoski) was known to us to have been abandoned, but the other (Wanemi CZ) is active and we have made appropriate contacts with the investors to set up a meeting for [CLIENT].

Summary of contacts:

The following companies were short-listed for direct contact, based on their size, product portfolio and location, and approached with a proposal to meet [CLIENT].

7 of the 8 companies confirmed interest in (readiness for) a meeting.

- ▶ **W.....**
- ▶ **B.....**
- ▶ **Mondi Packaging**
- ▶ **S.....**
- ▶ **Norske Skog**
- ▶ **O.....**
- ▶ **O.....**

Please refer to company profiles (starting on page. 7) for details on their activities as well on their specific responses and comments regarding potential for [CLIENT].

Papcel could not meet during the visit dates, however they expect to approach [CLIENT] in the second half of this year with an RFQ for a drive for machinery for a Russian client.

At the end of this report, starting on p. 15, please find a complete list of paper manufacturers in the Czech Republic, which includes a few additional comments on investment activities and potential in companies not contacted during this project.

Wednesday 13 June

@ 10:30 departure from Prague for Steti (1-1.5 hr – 60 km)

12:00	Company	Mondi Packaging Paper Štětí a.s.
	Contact person(s)	(Mr.) Miroslav Jůva Technical Director
	Address:	Litoměřická 272 411 08 Štětí
	Phone:	+420 416 802 017
	Mobile:	

14:00	Company	Norske Skog Štětí a. s.
	Contact person(s)	(Mr.) Petr Nevečeřal technical and maintenance director
	Address:	Litoměřická 250 41108 Štětí
	Phone:	+420 416 801 122
	Mobile:	

@ 15:00 departure for Prague

@ 20:10 flight to Warsaw, Poland

COMPANY NAME	Mondi Packaging Paper Štětí a.s.
Address	Litoměřická 272
Address (city)	Štětí
Address (ZIP)	411 08
Telephone	+420 416 801 111
Fax	+420 416 802 255
Web site	www.mondipackaging.com (English version available)
Contact person	(Mr.) Miroslav Jůva
Position	Technical Director
English speaker?	Yes
Telephone	+420 416 802 017
Mobile telephone
E-mail	emailaddress@mondipackaging.com
Other contact persons	
PROFILE	Production of paper
Description	Largest producer of paper in the Czech Republic. The company belongs to the top 100 manufacturers and corporations in the country. It mainly produces sack kraft paper, kraft pulp, MG paper and liners. The mill operates two pulp lines and four paper machines that produce containerboard (PM1), machine glazed paper (PM2 and PM3) and sack paper (PM5).
Customers	
Year of establishment	2000
Ownership structure	Joint-stock company: 100% Mondi Packaging Paper BV
Number of employees	488
Turnover	2005: CZK 7 843 034 000
Certificates	ISO 9001:2001, ISO 14001:1997, EMS, EMAS
Note	
MESSAGE	<i>Mondi, also in relation to its separation from Anglo American, is preparing its own development plants. [CLIENT] has good information - comment in response to EasyLink consultant mentioning reported plans on increasing capacity by a new 500,000 tonne/yr plant. Mr. Juva said that they now "have a green light to start working on that plan..."</i>
MEETING	
Date/Time of Meeting	June 13, 12:00
Note	

COMPANY NAME	Norske Skog Štětí a. s.
Address	Litoměřická 250
Address (city)	Štětí
Address (ZIP)	41108
Telephone	+420 416 801 122
Fax	+420 416 811 917
Web site	www.norske-skog.com (English version available)
Contact person	(Mr.) Petr Nevečeřal
Position	technical and maintenance director
English speaker?	Yes
Telephone	+420 416 801 122
Mobile telephone	
E-mail	
Other contact persons	
PROFILE	Producer of newsprint paper.
Description	Norske Skog acquired the Steti PM4 in November 1997. The PM4, the raw materials department and the wood yard are situated inside the pulp and paper plant in Steti, about 60 km north of Prague. Norske Skog Steti has a more than 50% share of the Czech newsprint market with a production of 120 000 tonnes annually.
Customers	
Year of establishment	1993
Ownership structure	Joint-stock company: 100% NORSKE SKOGINDUSTRIER ASA
Number of employees	213
Turnover	2005: CZK 1 965 053 000
Certificates	ISO 9001:2000, ISO 14000:1997
Note	
MESSAGE	<i>Their existing drives sometimes have problems, and so the company will somehow have to deal with it...</i>
MEETING	
Date/Time of Meeting	June 13, 14:00
Place of Meeting	
Note	

CZECH PAPER INDUSTRY OVERVIEW

This section summarizes all information on the Czech paper industry gathered during our work on the market research and preparation of a meeting itinerary.

Please note:

- ▶ The list of companies is not fully exhaustive, however all key players are certainly included.
- ▶ Companies are listed in order of their turnover.
- ▶ Data on turnover, number of employees and products are based on secondary sources (business directories, websites) and may not be fully up to date and accurate (they were not confirmed by the companies).
- ▶ Comments in the third column are based on the consultant's knowledge and evaluation of each company, and/or on a consultation with the Czech Paper and Pulp Industry Association, and/or on direct contact with the companies.

<p>Mondi Packaging Paper Steti a.s. www.mondipackaging.com Employees: 117 Turnover: EUR 281 mil. Location: Central Bohemia (Steti - 40 km north of Prague)</p>	<p>Profile: The mill operates two pulp lines and four paper machines that produce containerboard (PM1), machine glazed paper (PM2 and PM3) and sack paper (PM5).</p>	<p>MEETING ARRANGED</p>
<p>KRKONOSSKE PAPIRNY a.s. www.krpa.cz Employees: 730 Turnover: EUR 80 mil. Location: North Bohemia (Hostinne)</p>	<p>Profile: Production and sale of: - printing and writing paper and board; - carbonless paper; - greaseproof wrapping paper; - forms; - envelopes; - exercise books and pads; - till rolls, fax rolls, plotter rolls, counter rolls; - cut sizes</p>	<p>NOT CONTACTED - LOCATION</p>
<p>Model Obaly, a.s. www.modelgroup.com Employees: 800 Turnover: EUR 80 mil. Location: Central Bohemia (Nymburk) + North Moravia (Opava)</p>	<p>Profile: Corrugated board, laminated board and flat cardboard packaging materials</p>	<p>PROCESSOR</p>
<p>Norske Skog Steti a. s. www.norske-skog.com Employees: 215 Turnover: EUR 70 mil. Location: Central Bohemia (Steti)</p>	<p>Profile: Newsprint production. Norske Skog acquired the Steti PM4 in November 1997. The PM4, the raw materials department and the wood yard are situated inside the Frantschach Pulp and Paper AS plant in Steti, about 60 km north of Prague. Norske Skog Steti has a more than 50% share of the Czech newsprint market with a production of 120 000 tonnes annually.</p>	<p>MEETING ARRANGED</p>