

# ***The German Cut Size Paper Market 2009-2010***

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# *Table of Content*

<b>Objectives</b>	..... Page 3
<b>Executive summary</b>	..... Page 4
<b>BSC Comments</b>	.....Page 5
<b>Study Participants</b>	..... Page 6
<b>Interview results: 2009</b>	..... Page 7
▪Volume and grade splits	..... Page 8
<b>Growth trends 2006-2010</b>	.....Page 10
▪Volume and grade splits	..... Page 11
<b>Recycled, Certified, Low Grammage</b>	..... Page 20
<b>Channel data</b>	..... Page 25
<b>Long term forecast beyond 2010</b>	..... Page 29
<b>Appendices</b>	..... Page 31
▪Methodology	..... Page 32
▪Back-up data tables	..... Page 35
▪Brand and mill data	..... Page 40

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# ***Objectives***

- To determine the composition of the German market for cut size paper in 2009-2010
  - Total actual volume for 2009 and total projected volume for 2010
  - Actual volume split by grade for 2009 and projected volume by grade for 2010
- To understand the growth rate in the German market
- To identify long term growth trends beyond 2010
- To understand trends in distribution channels
- To explore relevant segments in more detail

# ***Executive Summary***



# ***BSC Comments***

Note: All forward looking comments reflect the views of the respondents and are not a BSC forecast

# Study Participants 2006-2010

<u>Channel</u>	<u>Merchants</u>	<u>Direct Office Product Suppliers</u>	<u>OEMs</u>
	Antalis	Staples Advantage	Xerox
	Berberich	Staples	Canon
	Deutsche Papier	Office Depot	
	Igepa Group	Lyreco	
	Inapa		
	Papyrus		
	Kreuser		

The above respondents have all participated in the study for more than 5 years providing continuous and comparable data

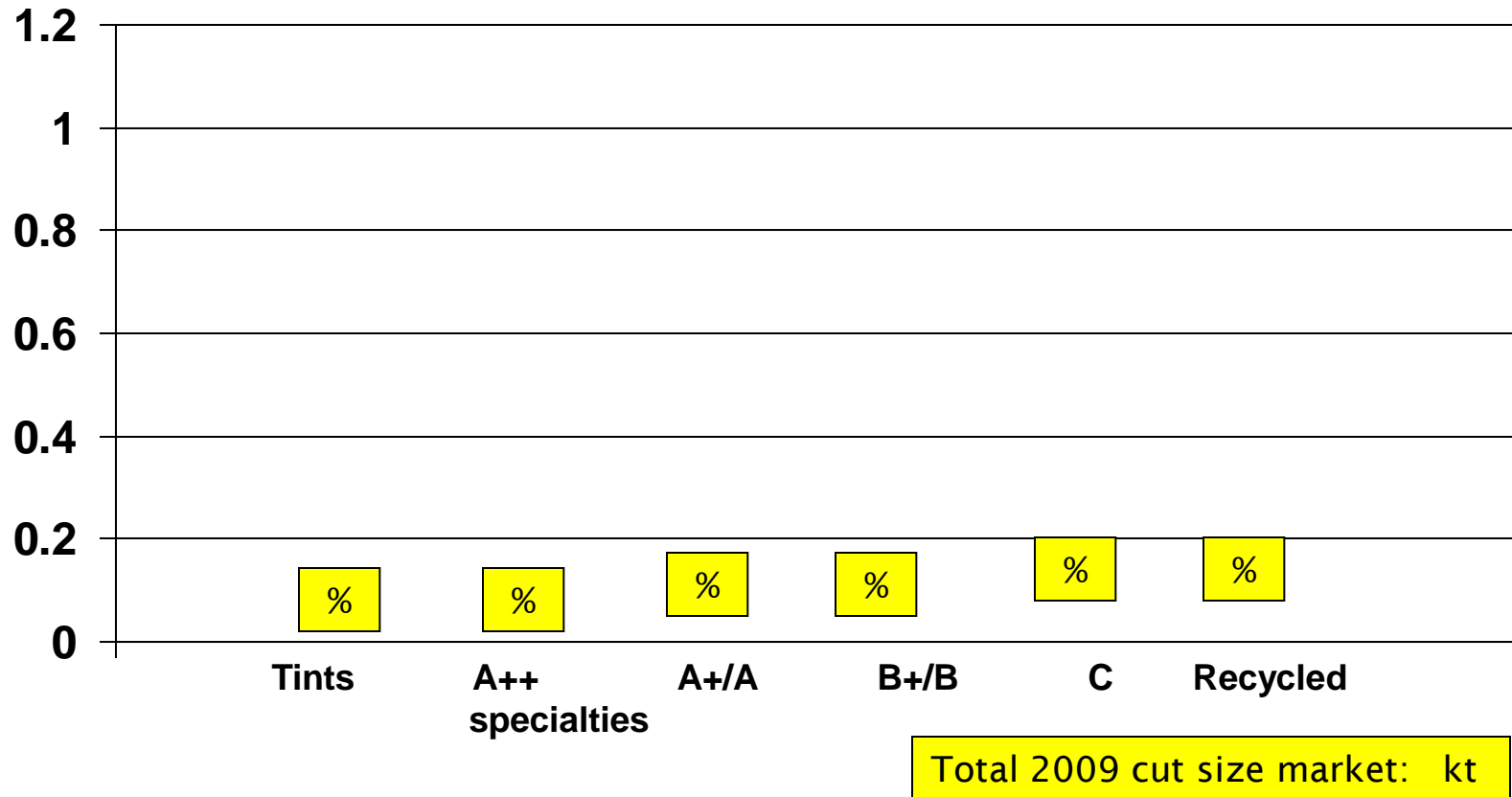
*The above participants represent more than 95% of the total German cut size market volume*

- "Fachhandel" direct purchases from mills are not covered by the study
- Pro-Buero does not participate
- RPV direct sales are not captured

# ***2009 Results***

# ***C grade is significantly larger than other grades in Germany***

Tonnes 2009 (000)





## *2008-2010 projected*

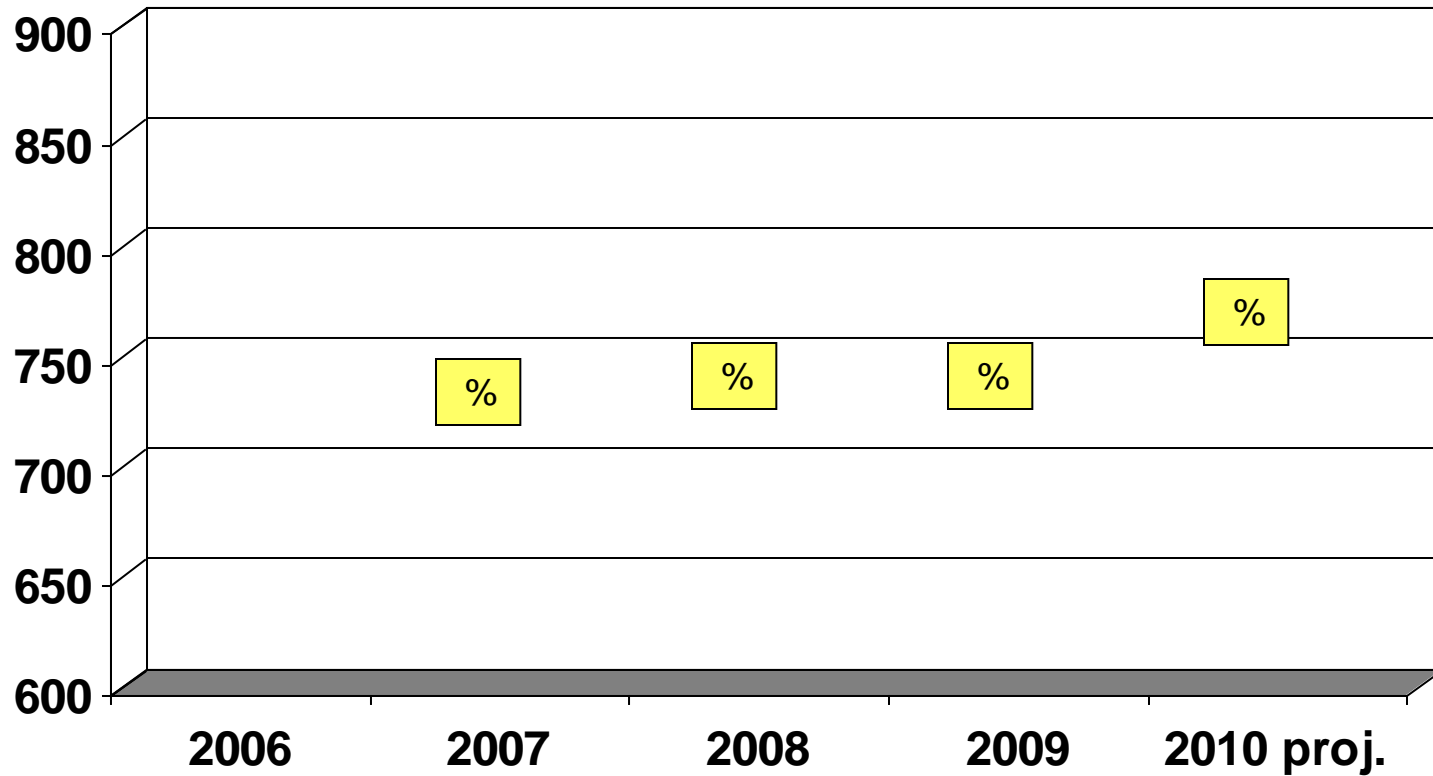
<b><u>Grade category</u></b>	<b><u>2008 tonnes</u></b>	<b><u>Percent of total</u></b>	<b><u>2009 tonnes</u></b>	<b><u>Percent of total</u></b>	<b><u>Growth 08-09</u></b>	<b><u>2010 proj. tonnes</u></b>	<b><u>Percent of total</u></b>	<b><u>Growth 09-10</u></b>
Tints								
A++ Color Inkjet								
A++ Color Laser								
A+/A								
B+/B								
C								
Recycled								
<b>Total volume identified</b>								

# ***Growth Trends***

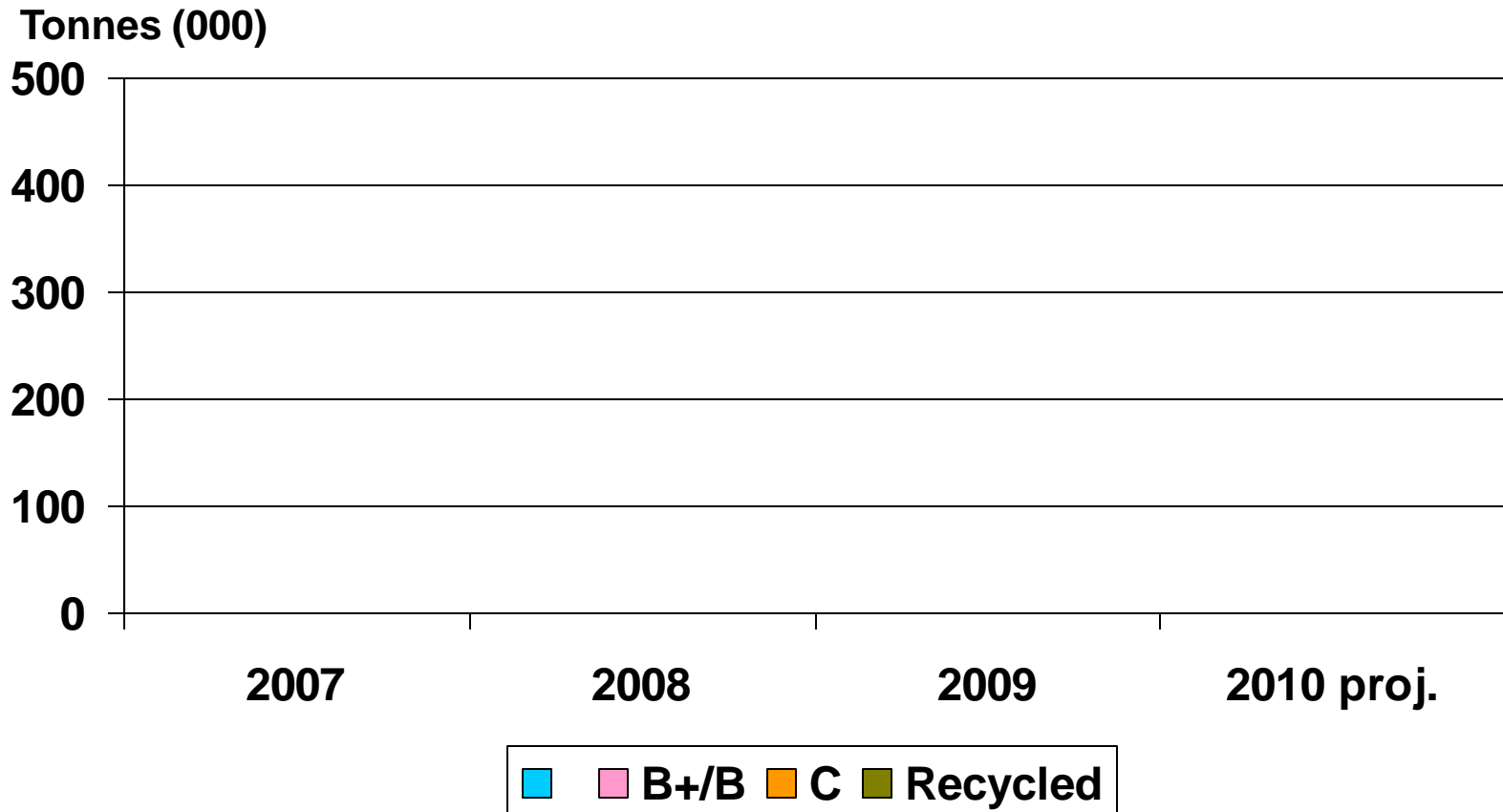
2006-2009  
Projections for 2010

# 2006-2010 growth

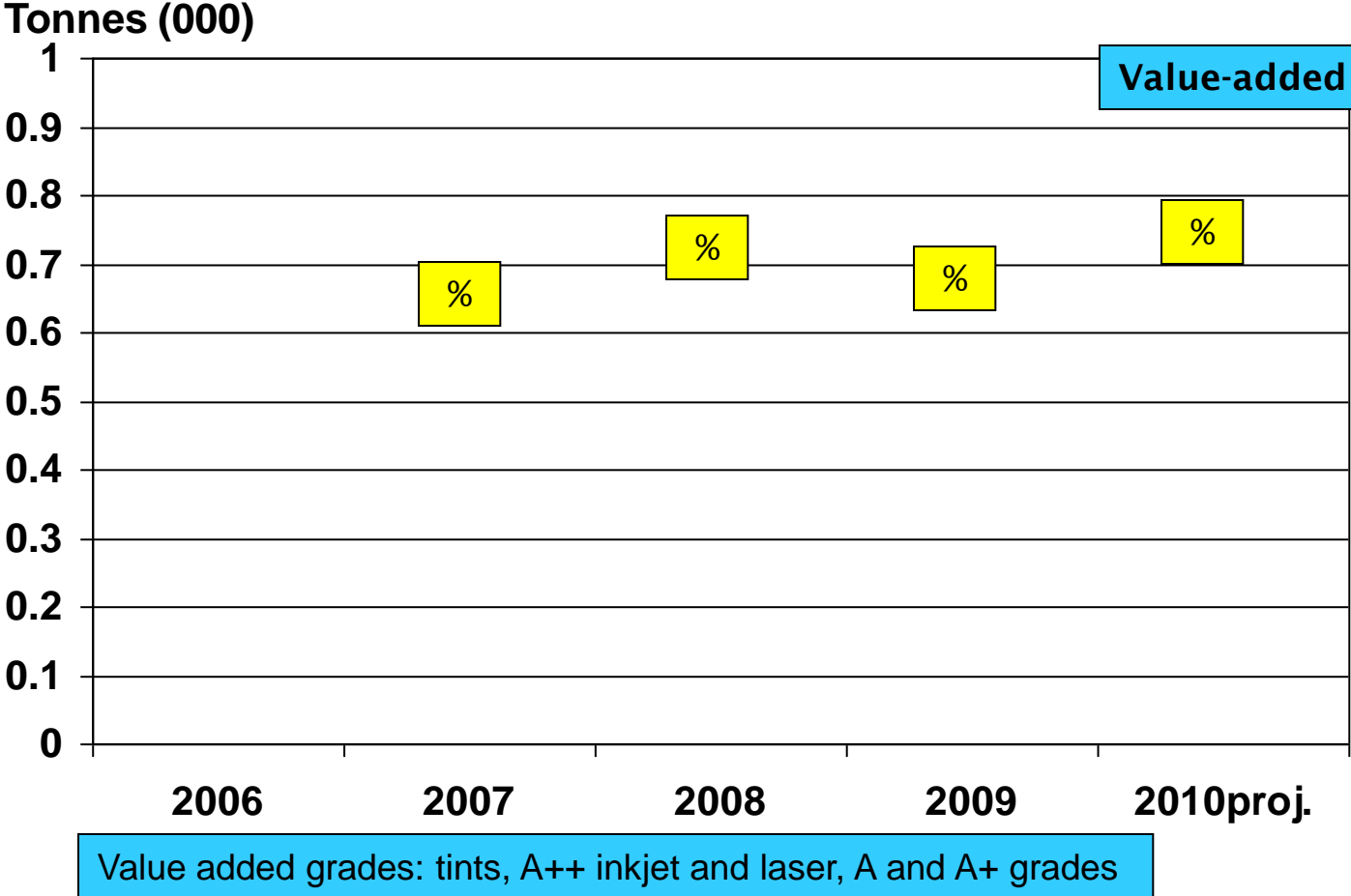
Tonnes (000)



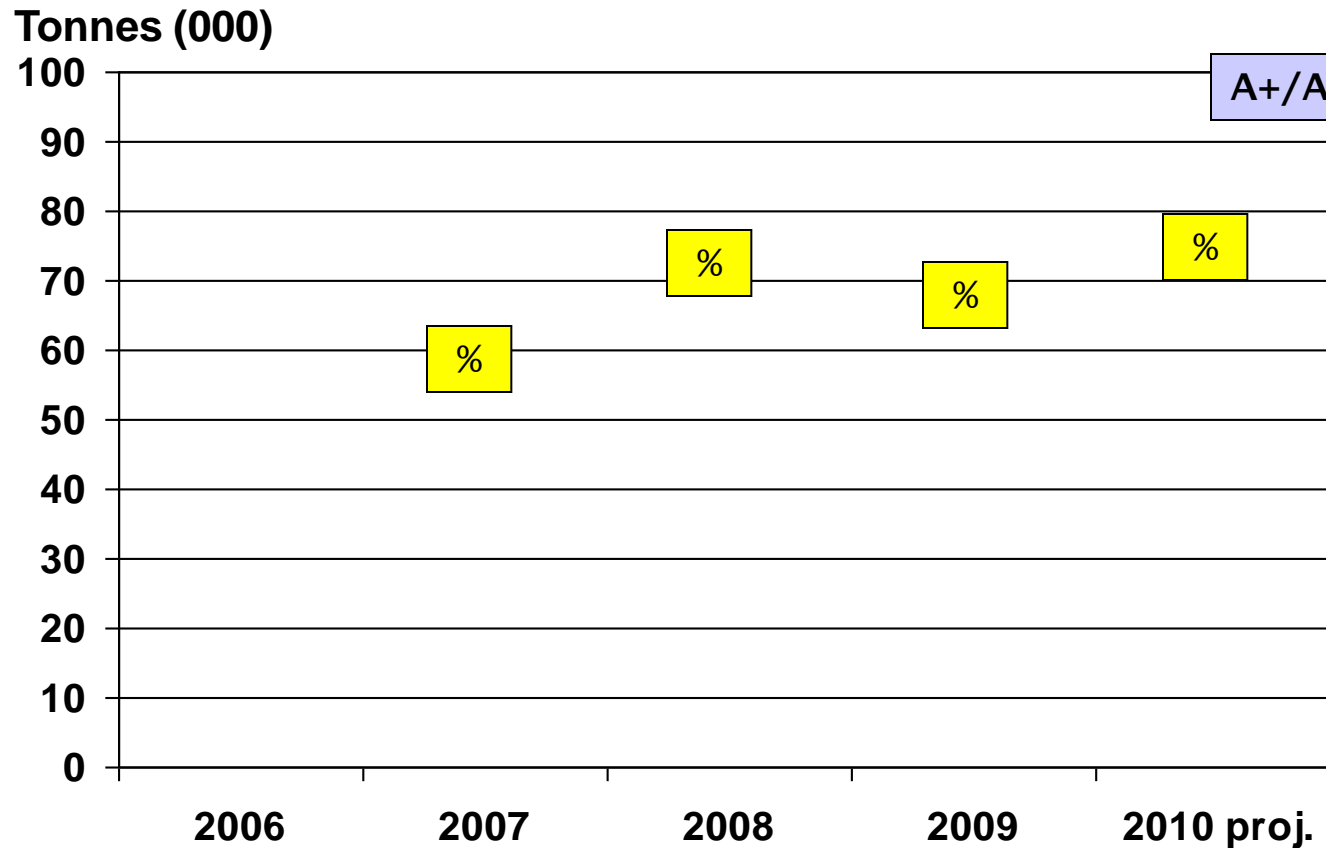
## 2007-2010 category growth



# Value-added grades



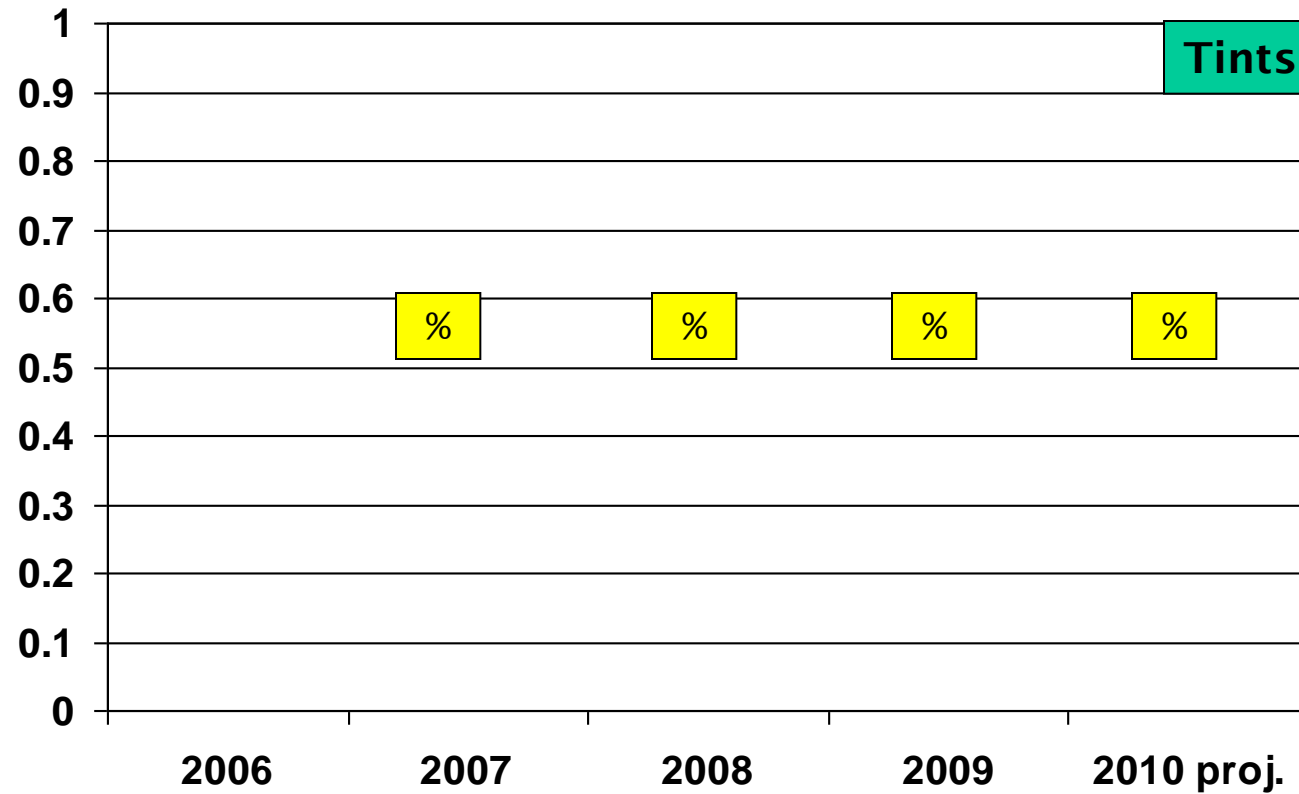
# A+/A grade volume



Increasingly respondents report these two grades combined and consider them "A"  
There is an overlap between A+/A and specialties (laser & inkjet) volume

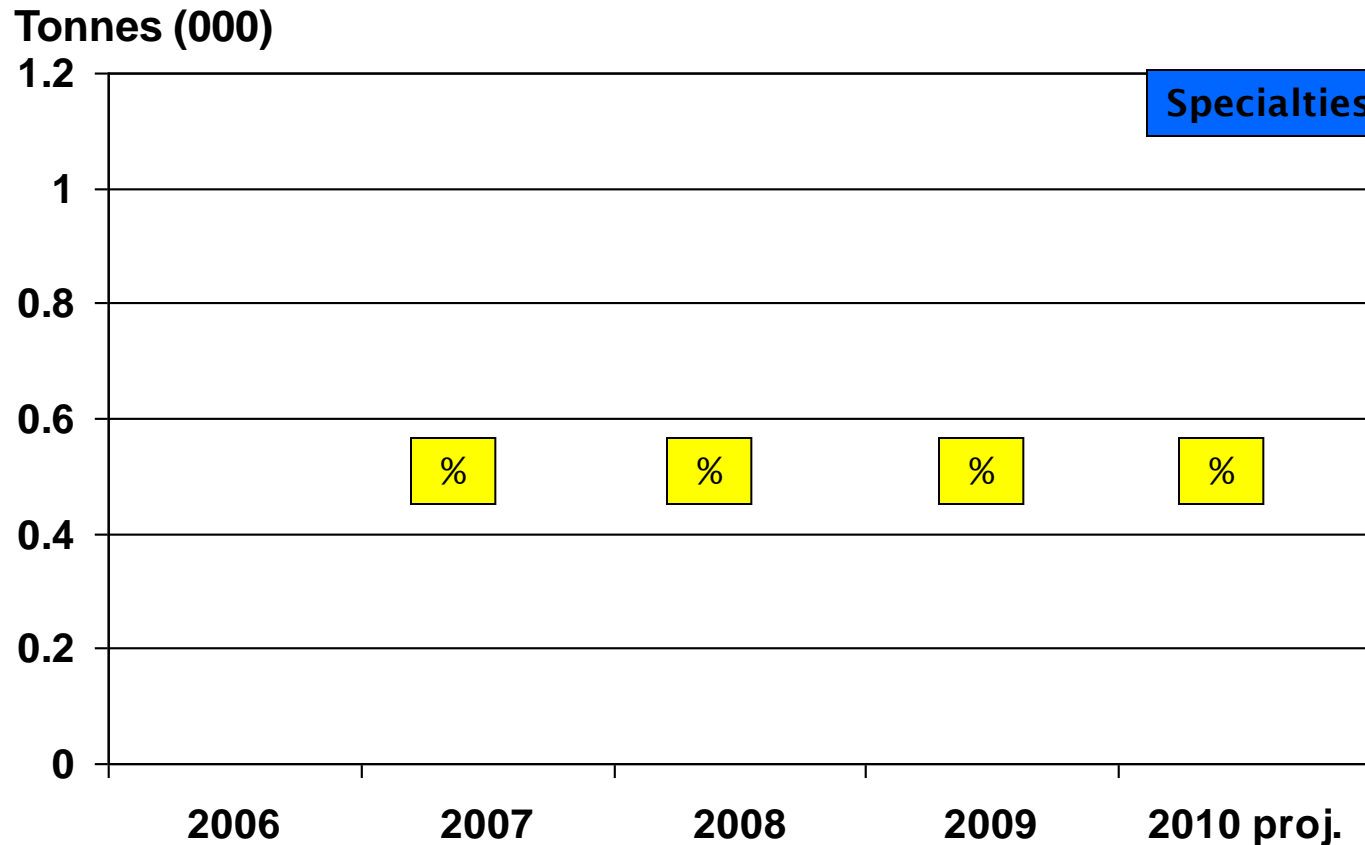
# Tints volume

Tonnes (000)



# *specialty grades*

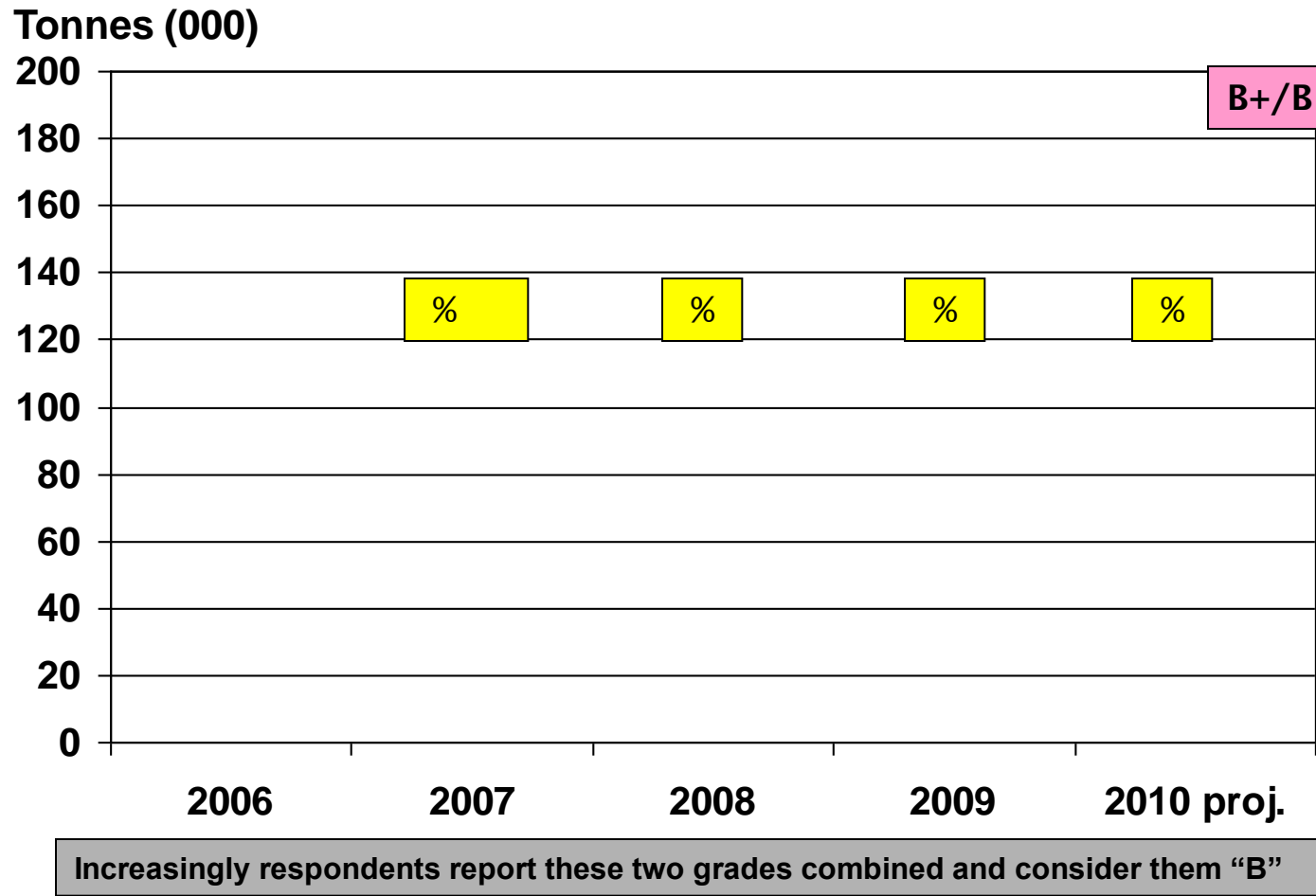
## *Overlap with A+/A grade category*



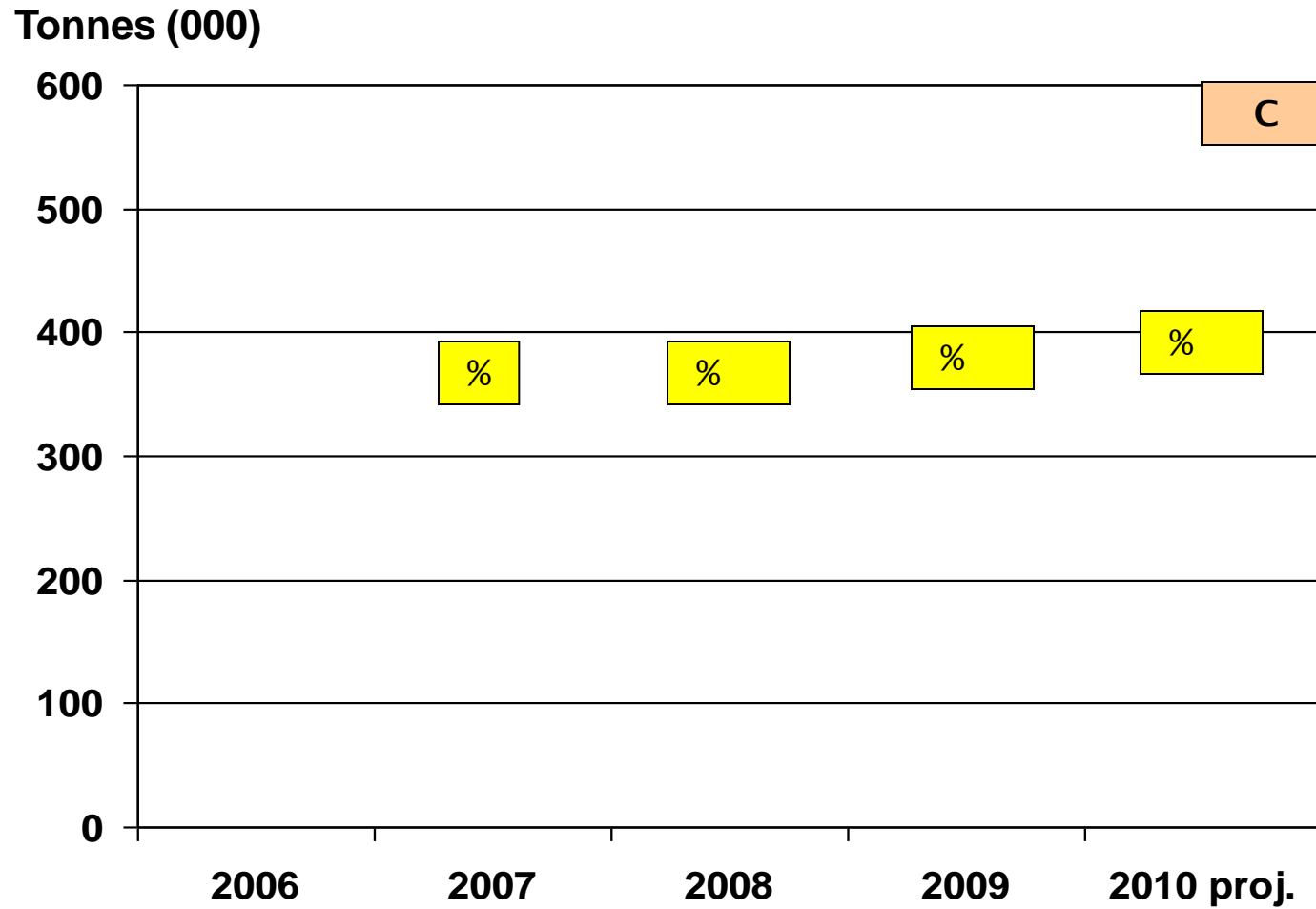
Specialty grades = A++ Color Inkjet and A++ Color Laser  
***A++ color laser represents ...% of the volume***



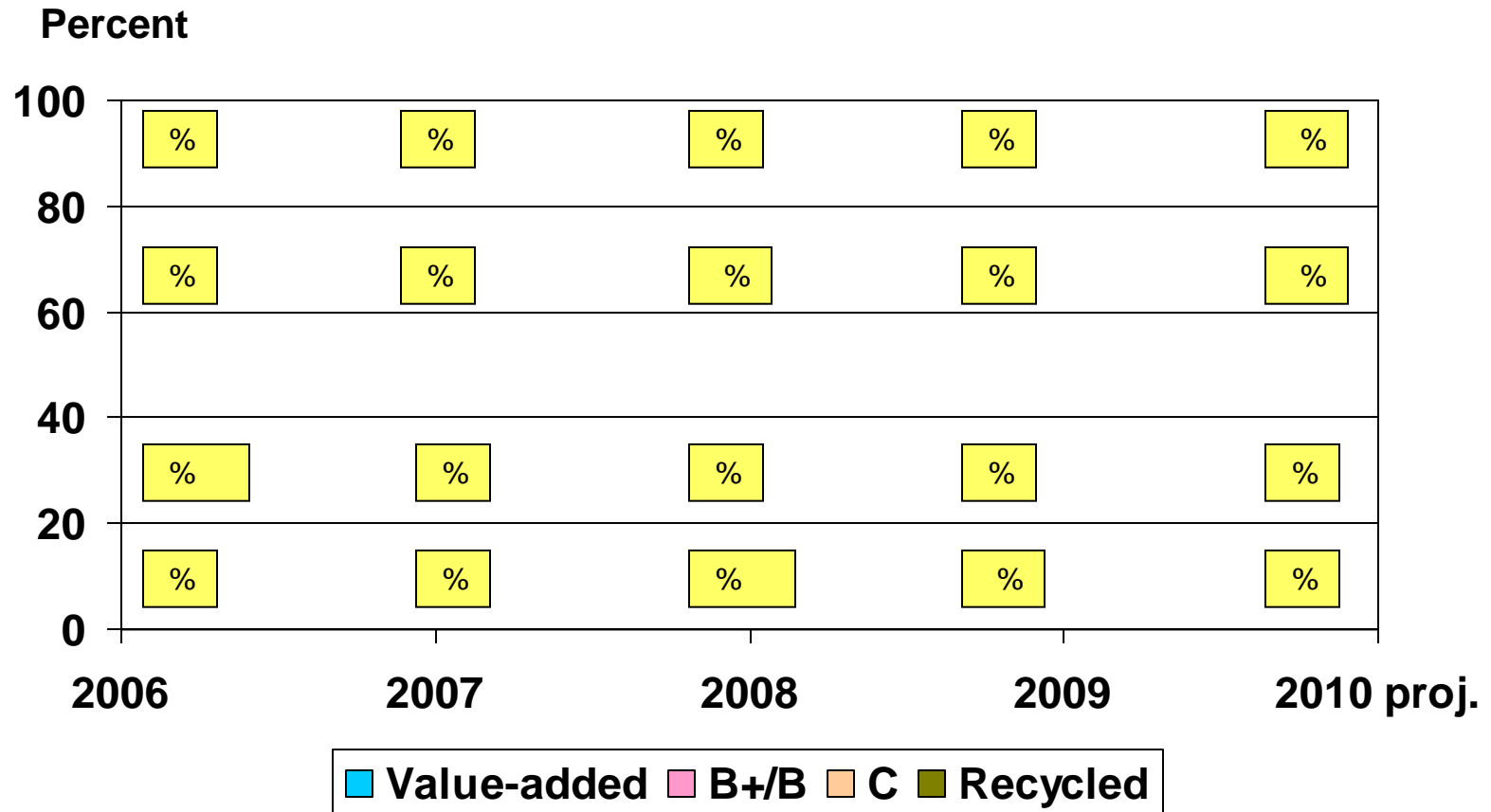
# B+/B volume



# C grade

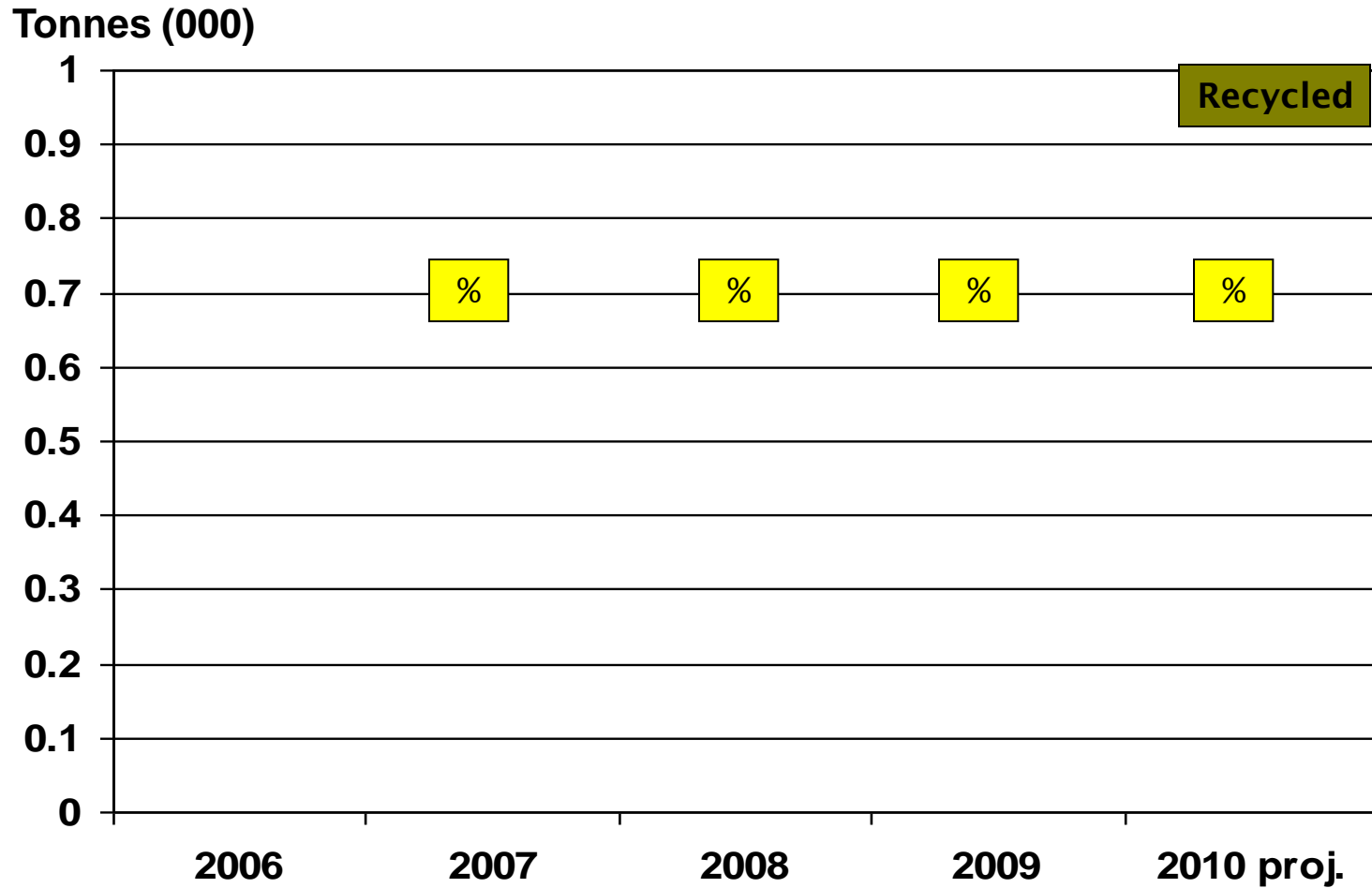


# The grade mix in Germany over time



# ***Recycled, Certified, and Low Grammage Segments***

# Recycled grades



## ***The proportion of Recycled grade categories***

	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010 projected</u></b>
<b>Total Recycled Volume</b>			
<b>Percent High Brite</b>			
<b>Percent Gray/Brown</b>			
<b>Percent Mixed/Hybrid</b>			

***...% of High Brite is in the 100% recycled content category from 2008 to 2010***

***...% of Gray/Brown is in 100% recycled content category in 2008***

***.... Gray/Brown is in the 100% recycled content category in 2009 and 2010***

## ***Certified Papers .***

<b>Merchant and OEM channels*</b>	<b><u>Percent of total volume</u></b>	
	<b><u>2009</u></b>	<b><u>2010 projected</u></b>
	.	.

..... forecast for long term growth

\*No data available from the Direct OPS channel

Certified papers: FEC, PEFC, FSC

## ***75 gsm paper***

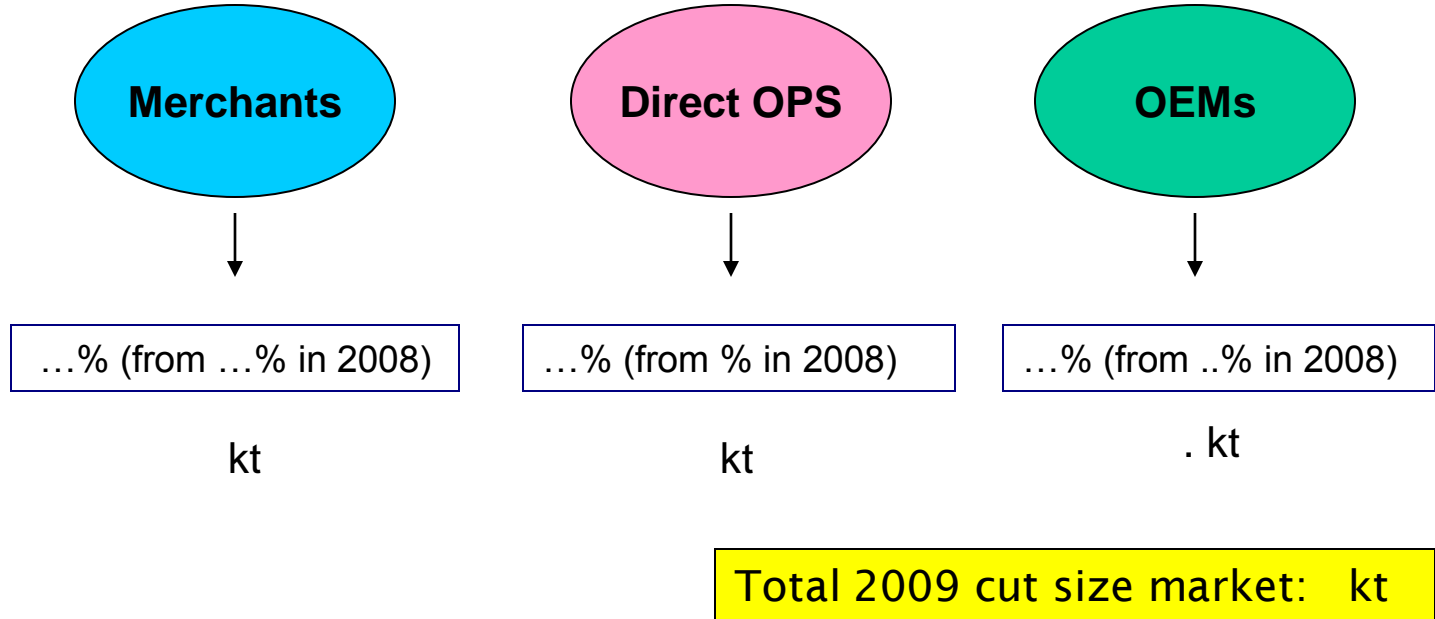
	<u>2008</u>	<u>2009</u>	<u>2010</u> <u>projected</u>
<b>Total cut size volume</b>			
<b>Proportion 75gsm</b>			
<b>Proportion 70gsm</b>			

**70 gsm reported**

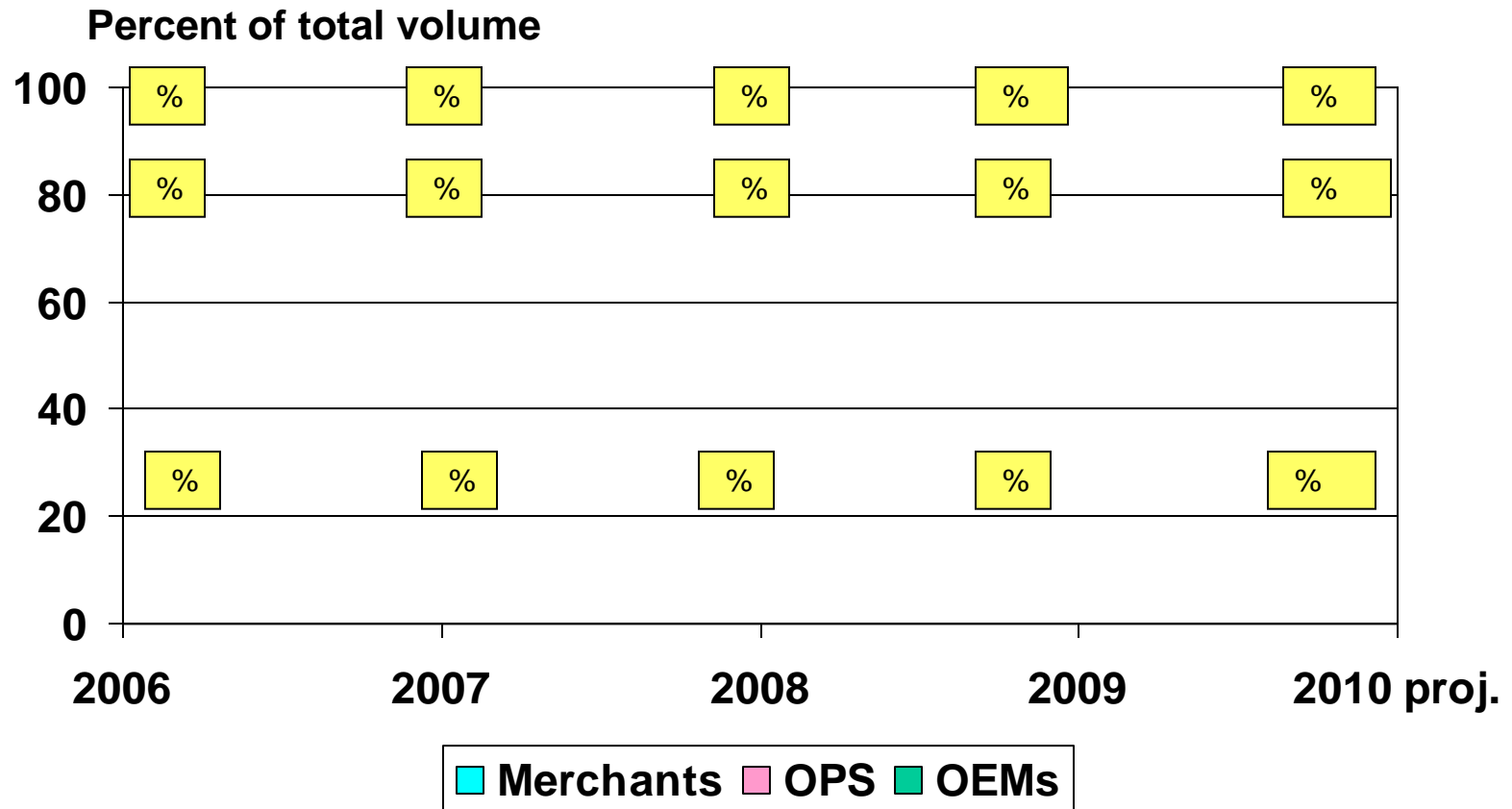


# ***Channel Data***

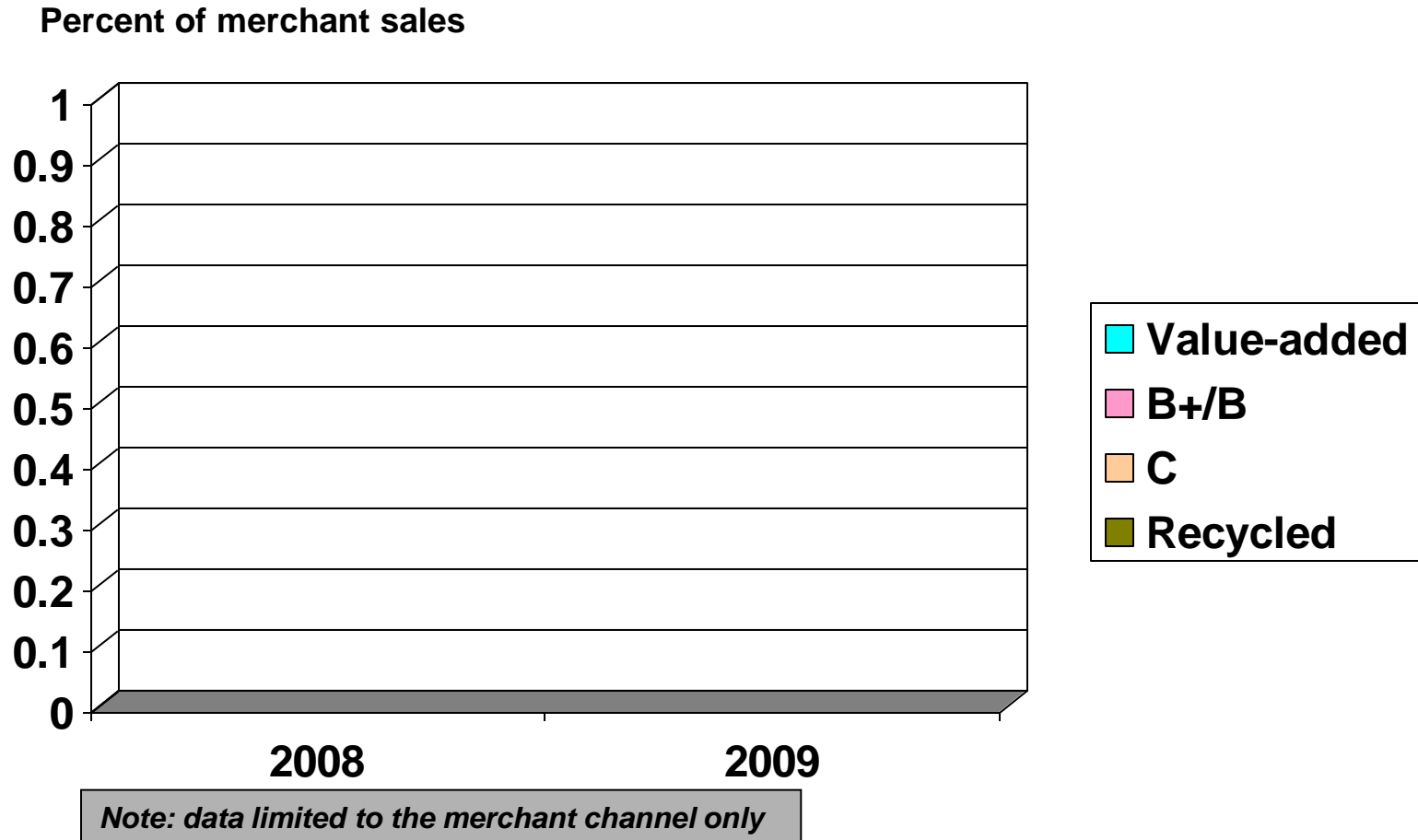
# *First tier distribution channel in Germany*



## Historical share of distribution channels



## Evolution of grades within the Merchant Channel



# ***Long Term Forecast Beyond 2010***

## ***General Trends***

# *The long term forecast*

<u>Grade /category</u>	<u>Long term trend</u>	<u>Comments</u>
<b>Tints</b>		
<b>A++ Inkjet</b>		
<b>A++ Laser</b>		
<b>A+/A</b>		
<b>B+/B</b>		
<b>C</b>		
<b>Recycled</b>		
<b>75 gsm paper</b>		
<b>70 gsm</b>		

# ***Appendices***

- **Appendix A: Methodology**
- **Appendix B: Back-up data tables**
- **Appendix C: Typical brands and/or supplier by grade category**

# **Appendix A** **Methodology**



# *Methodology*

- The study is designed to cover all direct buyer of cut size papers in Germany
  - Merchants
  - Direct Office Product Suppliers
  - OEM distributors
- The volume data is collected on an annual basis
  - The format for grade volume data collection is kept consistent from one year to the next to establish a system of data collection, recording and analysis that can be reproduced on an annual basis
  - Revisions to past years data are made when necessary
- New questions are introduced based on market interest and developing trends

## ***Methodology: Questionnaire 2009-2010***

- The questionnaire covered the following topics
  - 2009 volumes and grade splits
  - 2010 projections and grade splits
  - Examples of representative brands by grade
  - Recycled grade categories
  - Low grammage paper volume
  - Certified papers volume
  - Long term growth trend by grade

**Appendix B**  
***Back-up data tables***

## ***2006-2010 data from interviews: Volume***

<u>Grade</u>	<u>2006</u> tonnes	<u>2007</u> tonnes	<u>2008</u> Tonnes	<u>2009</u> tonnes	<u>2010 proj.</u> tonnes
Tints					
A++ color inkjet					
A++ color laser					
A+/A					
B+/B					
C					
Recycled					
<b>Total</b>					

## ***2006-2010 data from interviews: Grade proportions***

<u>Grade</u>	<u>2006</u> <u>% of total</u>	<u>2007</u> <u>% of total</u>	<u>2008</u> <u>% of total</u>	<u>2009</u> <u>% of total</u>	<u>2010 proj.</u> <u>% of total</u>
Tints					
A++ color inkjet					
A++ color laser					
A+/A					
B+/B					
C					
Recycled					
Total	100.0	100.0	100.0	100.0	100

## *Interview results by first tier distribution channel*

<b>Channel</b>	<b><u>2006 tonnes</u></b>	<b><u>2007 tonnes</u></b>	<b><u>2008 tonnes</u></b>	<b><u>2009 tonnes</u></b>	<b><u>2010 proj. tonnes</u></b>
<b>Merchants</b>					
<b>Direct OPS</b>					
<b>OEMs</b>					
<b>Total</b>					

## ***Grade splits for the Merchant channel 2008 and 2009***

<u>Grade</u>	<u>2008 Merchants (tonnes)</u>	<u>2008 Merchants (percent)</u>	<u>2009 Merchants (tonnes)</u>	<u>2009 Merchants (percent)</u>
Total				
Tints				
A++ color inkjet				
A++ color laser				
A+/A				
B+/B				
C				
Recycled				

**Appendix C**  
***Typical brands and/or supplier by grade category***



# Tints

<u>Channel</u>	<u>Brands</u> <u>Tints</u>	<u>Mills</u> <u>Tints</u>
Merchant		
Merchant		
Merchant		
Merchant		
Merchant		
Merchant		
Merchant		
OPS		
OPS		
OPS		
OPS		
OEM		

# ***A++ color inkjet***

# ***A++ color laser***

# ***A+ grades***

# ***A grades***

***B+ grades (includes B grades)***

***B grades (combined with B+ into one grade)***

# ***C grades***



# ***Recycled grades***

# ***Low grammage 75 gsm***

# ***Low grammage 70 gsm***