

A. G. RAYMOND & COMPANY
Incorporated

Management and Technical
Solutions for the Wood Products Industry



The Value-Added Hardwood Products Universe

Remaining Competitive in Hardwood Components Production

Wood Education & Resource Center

Princeton, WV

April 20-21, 2009

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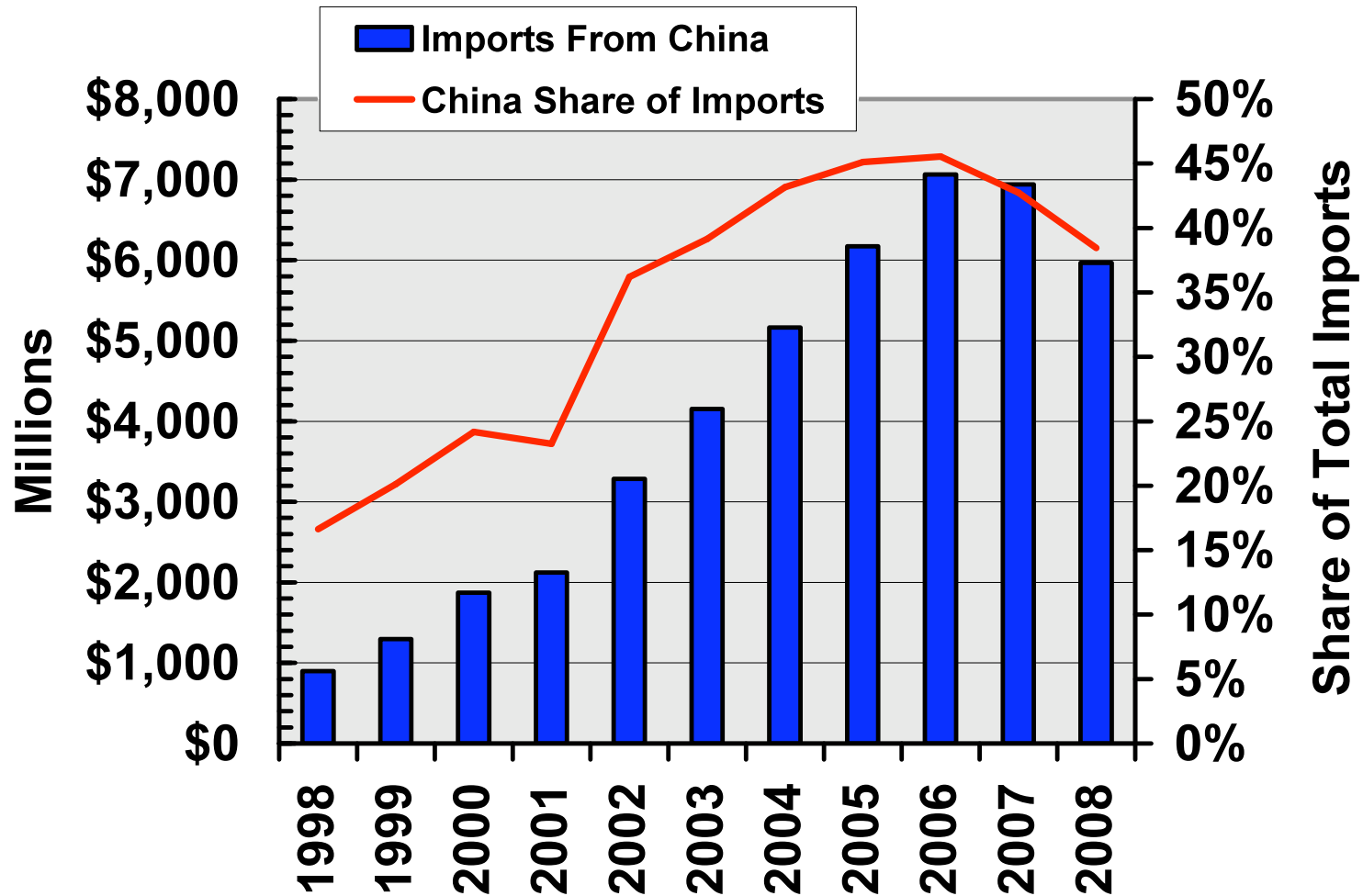
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What Happened?

Globalization brought...

1. The Emergence of China et al

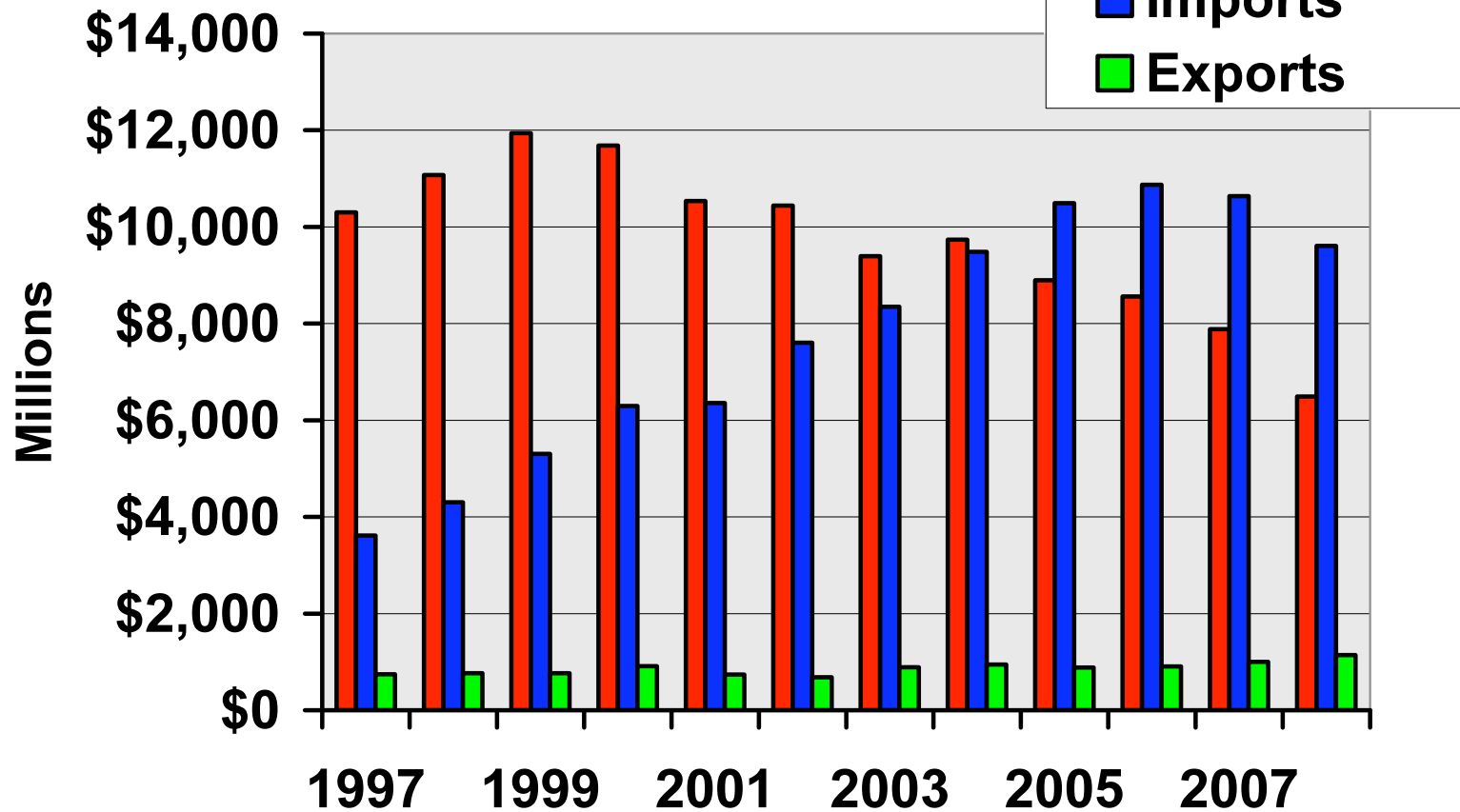
U.S. Imports from China



Sources: U.S. ITC + FAS

Wood Furniture Imports

Wood Home Furniture Consumption



Sources: Census Department & ITC

What Happened?

Globalization brought...

1. The Emergence of China et al
2. Price Deflation
3. Retail Chaos
4. Plant Closures

Shuttered Plants

Fate of the old industry model...



300+ plant closures, thousands of lost jobs...

What Happened?

Globalization brought...

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4. Plant Closures



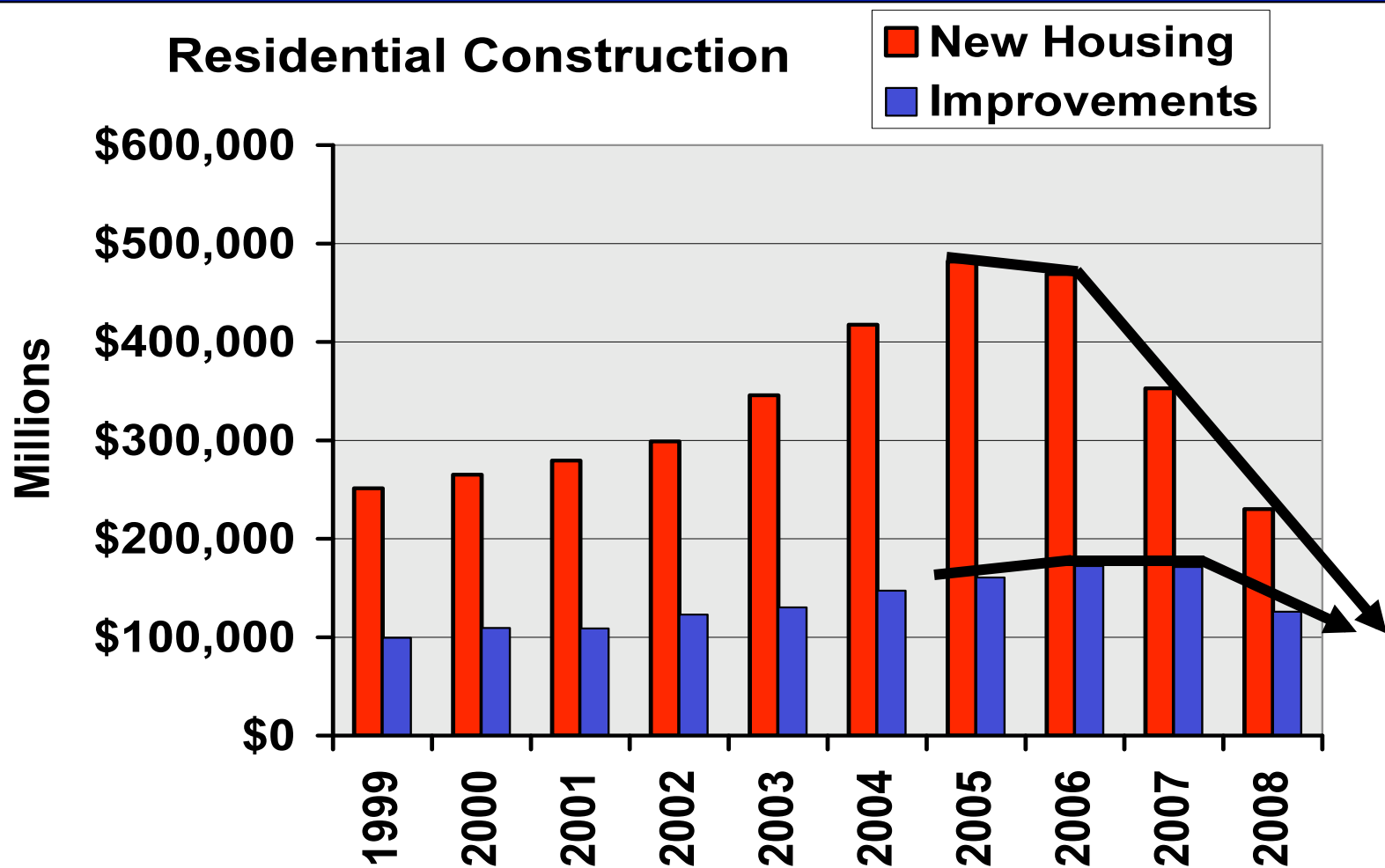
Structural Change

What Happened?

The Housing Bust brought...

1. Falling Property Values

Construction \$s



Sources: Census Bureau

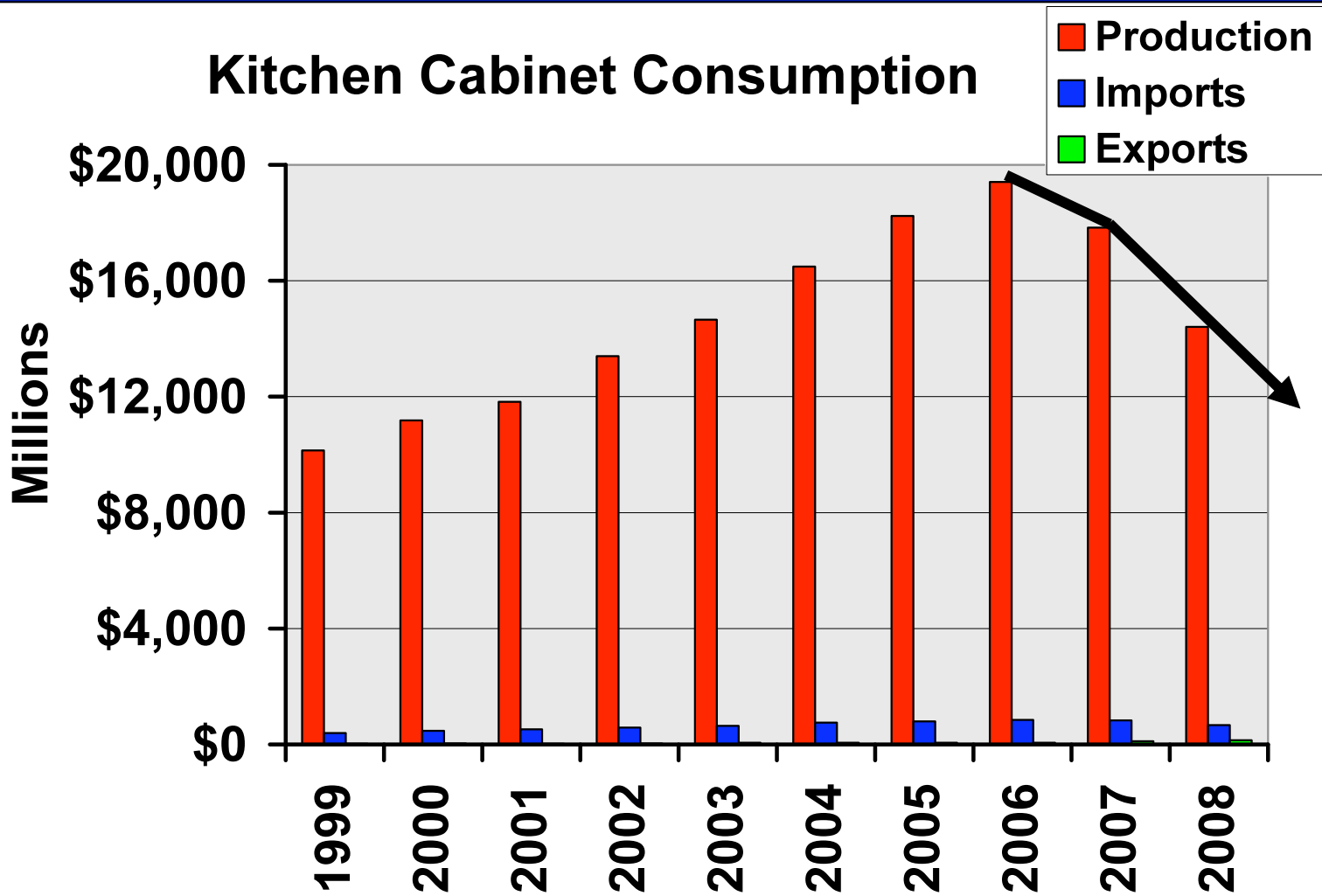
What Happened?

The Housing Bust brought...

1. Falling Property Values

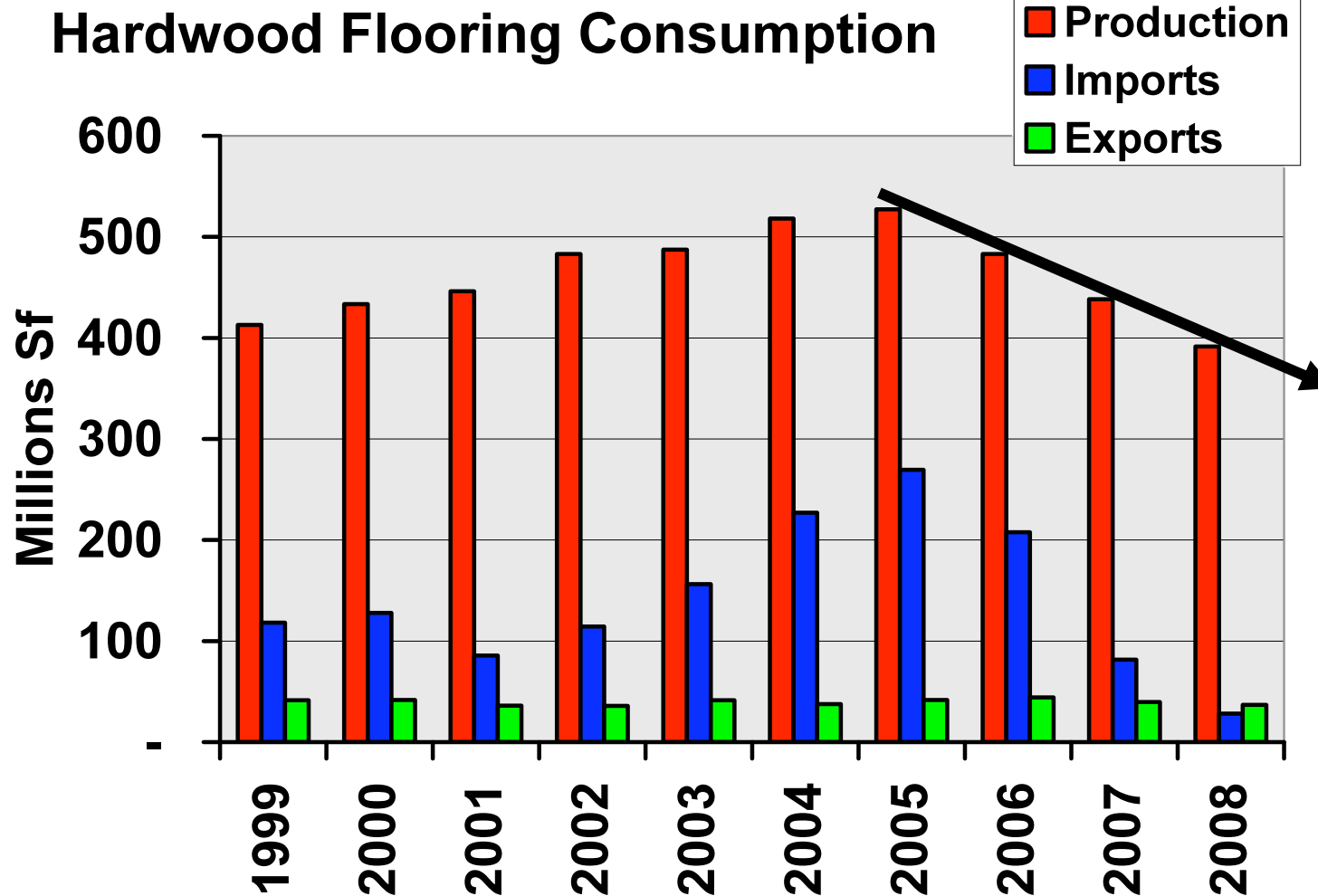
3. Credit & Banking Debacle

Cabinetry



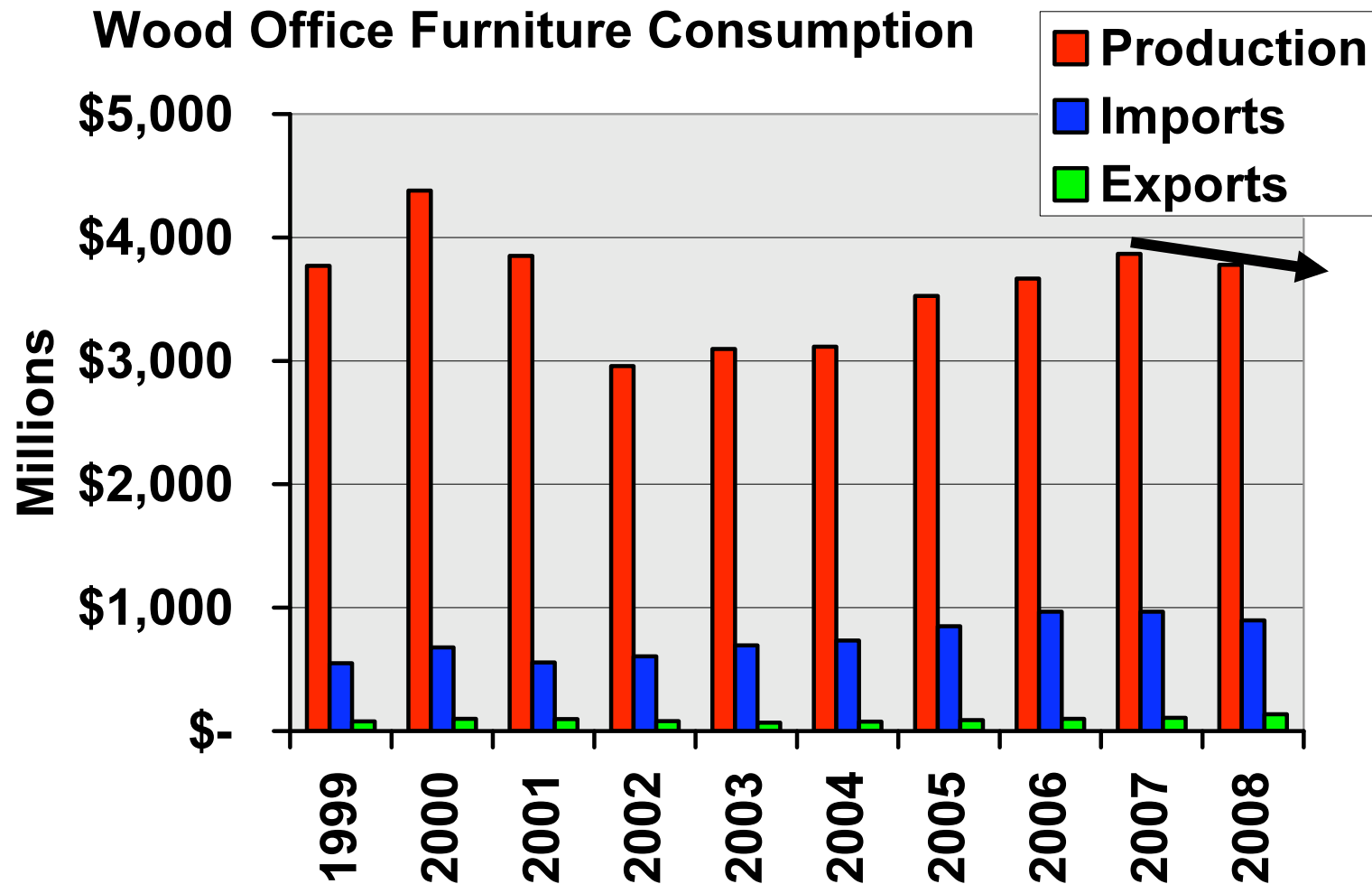
Sources: Census Bureau & KCMA

Wood Flooring



Sources: Census Bureau & *Weekly Hardwood Review*

Wood Office Furniture



Sources: Census Bureau & ITC

What Happened?

The Housing Bust brought...

1. Falling Property Values
2. Credit & Banking Debacle
3. More Plant Closures



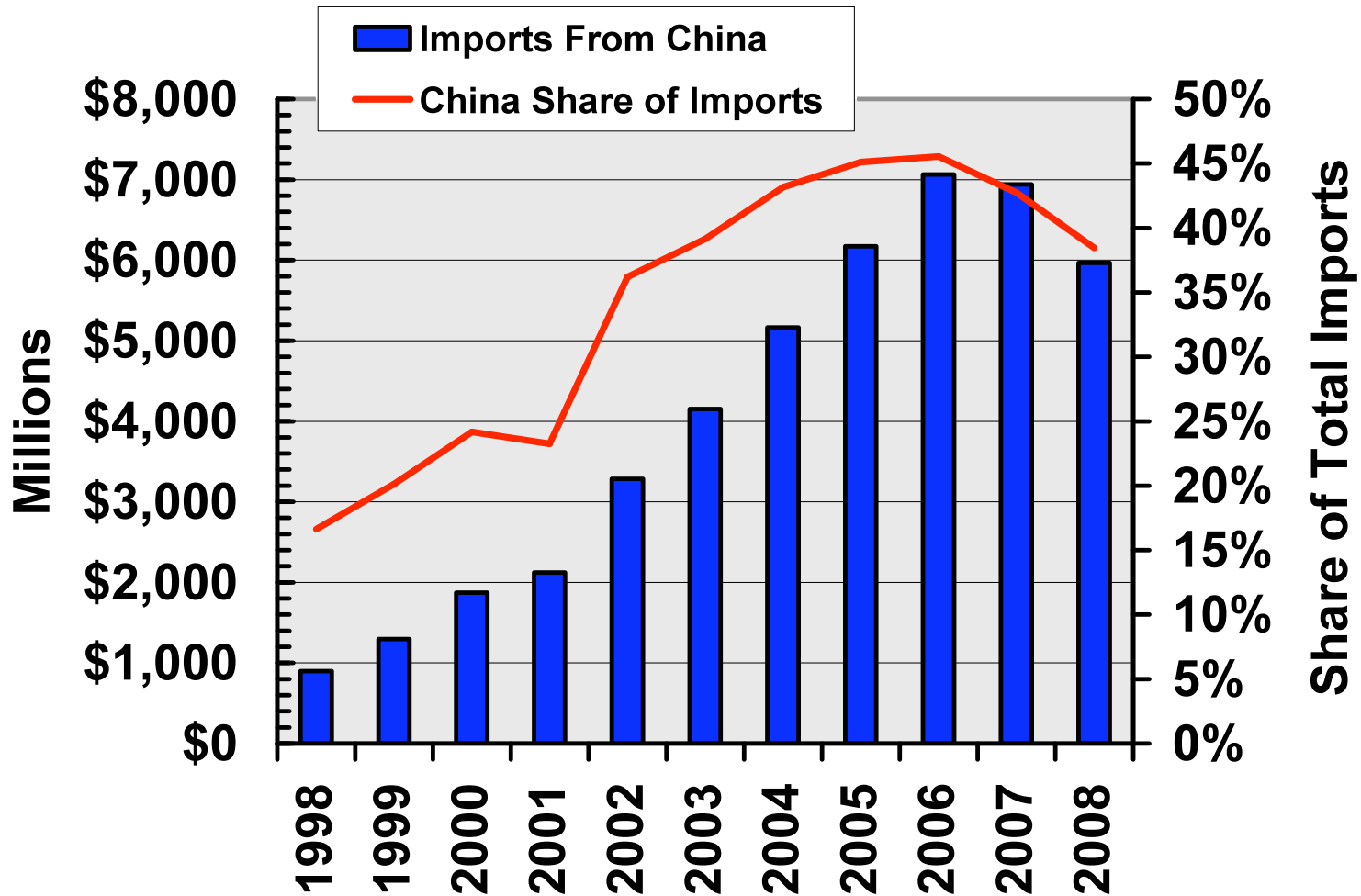
Cyclical Change

Take Advantage of Change

To capitalize on changing economics...

1. Adjust Your View of China

China's Falling Share



Sources: U.S. ITC + FAS

Take Advantage of Change

To capitalize on changing economics...

1. Adjust Your View of China
2. React Intelligently
 - > Know Your Customers

Model Change

Provide products and services that deliver...

1. Effectiveness - More for the Same
2. Efficiency - Same with Less
3. Economy - Less with Even Less

Take Advantage of Change

To capitalize on changing economics...

1. Adjust Your View of China

2. React Intelligently

- > Know Your Customers
- > Perfect Your Go-To-Market Strategy
- > Deploy New Technology
- > Don't Just Manage - Lead

Conclusion

- Today is a great time to break through
- Chaos brings opportunity
- The pendulum is swinging back
- Our resources are vast

Our industry's future is up to you...

Quote To Remember

Be an Optimist...

"An optimist sees an opportunity in every calamity; a pessimist sees a calamity in every opportunity."

- Winston Churchill

For more information contact...

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