



BREAKBULK PORT - TERMINAL OPERATIONS

*CELTIC LOGISTICS, INC.
GREENVILLE, SC*

A dark, atmospheric photograph of the Golden Gate Bridge at night, with its towers and suspension cables silhouetted against a deep blue, misty sky. The bridge spans across the water, and the overall mood is serene and industrial.

BREAKBULK

- ◆ METALS
 - ◆ STEEL
 - ◆ ALUMINUM

- ◆ FOREST PRODUCTS
 - ◆ LUMBER
 - ◆ WOODPULP
 - ◆ PAPER

A dark, atmospheric photograph of the Golden Gate Bridge at night, with the bridge's towers and suspension cables silhouetted against a deep blue, misty sky. The water below is dark and reflects the bridge's structure.

WHAT'S HAPPENING OUT THERE?

- ◆ MERGERS
- ◆ ACQUISITIONS
- ◆ FACILITY CLOSURES

A dark, blue-tinted photograph of the Golden Gate Bridge at night, with its towers and suspension cables visible against a dark sky and water.

HEADLINES

- ◆ CHINA PLANS MAJOR PRODUCTION EXPANSION
- ◆ NUCOR NET UP 10% ON UPSWING IN SHIPMENTS
- ◆ NEW PULP MILLS IN URUGUAY WILL ADD 1.2 MILLION TONS OF CAPACITY TO WORLD MARKET IN 2007
- ◆ LUMBER IMPORTS CONTINUE TO GROW IN THE US

The background of the slide is a dark, blue-tinted photograph of the Golden Gate Bridge at night. The bridge's towers and suspension cables are visible, extending from the left side of the frame towards the center. The water below is dark and reflects some light. The overall mood is industrial and somewhat somber.

STEEL

- ◆ IMPORTS INTO THE US TOTALLED 3.5 MILLION TONS IN FEBRUARY 2006 -- UP 30 % OVER FEBRUARY 2005
- ◆ THE GLOBAL MARKET PRICE FOR ALL STEEL PRODUCTS HAVE EXPERIENCED PRICE DROPS OVER THE SAME PERIOD

The background of the slide is a dark, blue-tinted photograph of the Golden Gate Bridge at night. The bridge's towers and suspension cables are visible against a dark sky, with some lights reflecting on the water below. The overall mood is industrial and modern.

ALUMINUM

- ◆ WORLD MARKET PROJECTED TO GROW BY 59 % OVER THE NEXT DECADE
- ◆ US AND CANADA PRODUCERS LOOKING TO LOCATIONS WITH CHEAP POWER TO PRODUCE ALUMINUM -- ICELAND -- GUINEA -- GHANA -- TRINIDAD AND TOBAGO
- ◆ MAJOR CONSUMPTION MARKETS ARE THE US AND CHINA

WOODPULP AND PAPER

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.

- ◆ INVESTING
IN NEW
PLANT AND
EQUIPMENT

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.

- ◆ US A
GROWTH
MARKET

LUMBER MARKET

- ◆ PACKAGED LUMBER
 - ◆ DIMENSION LUMBER
 - ◆ ENGINEERED PRODUCTS
 - ◆ STRUCTURAL PANELS



LUMBER

- ◆ LUMBER IMPORTS ARE EXPLODING FROM EUROPE - SOUTH AMERICA - FAR EAST





LUMBER AND PANELS

- ◆ TRADE DISPUTE BETWEEN US AND CANADA HAS HURT CANADIAN SALES TO US MARKET
- ◆ OPPORTUNITY FOR SUPPLIERS FROM EUROPE AND SOUTH AMERICA TO ENTER US MARKET

A dark, blue-tinted photograph of the Golden Gate Bridge at night, with its towers and suspension cables visible against a dark sky and water.

DRAMATIC CHANGE IN THE DIRECTION OF FOREST PRODUCT SHIPMENTS

- ◆ EXPORT VOLUMES FROM THE US ARE DOWN
- ◆ IMPORTS OF WOODPULP AND PAPER INTO THE US ARE INCREASING

A dark, blue-tinted photograph of the Golden Gate Bridge at night, with its towers and suspension cables visible against a dark sky and water.

LOGISTICS SERVICE PROVIDER NEWS

- ◆ BREAKBULK CARGO THROUGH MANY PORTS HAS DECLINED DUE TO A SHIFT TO CONTAINERS
- ◆ METAL IMPORTS ON THE RISE

The background of the slide is a dark, blue-tinted photograph of the Golden Gate Bridge at night. The bridge's towers and suspension cables are visible, with some lights reflecting on the water below. The overall mood is professional and industrial.

LOGISTICS SERVICE PROVIDER NEWS

- ◆ 'PORTABLE' WAREHOUSES BEING UTILIZED TO MEET CARGO STORAGE DEMANDS AT PORTS
- ◆ NEW BUILDING VESSELS BEING DELIVERED TO BREAKBULK CARRIERS
- ◆ CARRIER, TERMINAL AND STEVEDORE CONSOLIDATION

A blue-tinted photograph of the Golden Gate Bridge at night, with the bridge's towers and suspension cables visible against a dark sky and water.

PRODUCERS AND LOGISTIC SERVICES VICE PROVIDERS

- ◆ FORWARD LOOKING
- ◆ FOCUSED ON GROWTH



PRODUCERS

- ◆ FOCUS ON CORE COMPETENCY
 - ◆ THOSE SPECIFIC SKILLS A COMPANY HAS TO CREATE UNIQUE VALUE FOR THEIR CUSTOMER

A dark, blue-tinted photograph of the Golden Gate Bridge at night, with its towers and suspension cables visible against a dark sky and water.

PRODUCERS

- ◆ PURCHASING LOGISTICS SERVICES ON A MORE INTERNATIONAL SCALE AND CUSTOMER EXPECTATIONS ARE CHANGING
- ◆ PRODUCERS ARE DEVELOPING COMPETITIVE ADVANTAGE BASED ON PRODUCT QUALITY AND SUPERIOR DELIVERY

A blue-tinted photograph of the Golden Gate Bridge at night, with the bridge's towers and suspension cables visible against a dark sky and water.

PRODUCERS

- ◆ LOGISTICS PROCESSES THEN NEED TO BE FAST, RELIABLE AND COST-EFFECTIVE



FACTORS DRIVING PORT CHOICE - BREAKBULK SHIPPERS

- ◆ PROXIMITY TO MARKETPLACE
- ◆ DISTANCE TO MAJOR CUSTOMER BASE AND DISTANCE FROM OPEN OCEAN



FACILITIES

- ◆ PORT INFRASTRUCTURE
 - ◆ DRAFT, QUAY AND APRON DIMENSIONS AND CAPACITIES
- ◆ WAREHOUSES
 - ◆ STRUCTURE, SIZE, DISTANCE FROM SHIPSIDE, FLOOR CAPACITIES, INTERIOR DESIGN, RAIL AND TRUCK LOADING DOORS
 - ◆ TYPICAL FOREST PRODUCTS WAREHOUSE REQUIRES 150,000 TO 200,000 SQ. FT.



FACILITIES

- ◆ HANDLING EQUIPMENT
 - ◆ CRANES, LIFT TRUCKS, PAPER CLAMPS, PULP CLAMPS, MAFI TRAILERS
- ◆ CUSTOMER SERVICE
 - ◆ PROACTIVE IN ASSESSING CUSTOMER REQUIREMENTS AND PROVIDING A PROGRAM TO MEET THEM

A blue-tinted photograph of the Golden Gate Bridge, showing its towers and suspension cables against a dark sky and water.

SYSTEMS

- ◆ INVENTORY TRACKING AND REPORTING
 - ◆ SYSTEMS THAT CAN EFFICIENTLY MANAGE AND ACCURATELY PROVIDE CARGO INFORMATION AND REPORTS IN THE FORMAT REQUIRED BY THE CUSTOMER

A dark, atmospheric photograph of the Golden Gate Bridge at night, with its towers and suspension cables silhouetted against a deep blue sky and water. The bridge spans from the left side of the frame towards the center.

WORKFORCE

- ◆ TRAINED AND EXPERIENCED PERSONNEL WHO KNOW HOW TO HANDLE PRODUCTS

A dark, atmospheric photograph of the Golden Gate Bridge at night, with its towers and suspension cables silhouetted against a deep blue, misty sky. The bridge spans across the water, and the overall mood is serene and professional.

QUALITY

- ◆ RECOGNIZED PROGRAM FOR QUALITY CONTROL WITH MEASURES TO ENSURE COMPLIANCE AND CONTINUOUS IMPROVEMENT

The background of the slide is a dark, blue-tinted photograph of the Golden Gate Bridge at night. The bridge's towers and suspension cables are visible against a dark sky, with the water of the bay below. The overall mood is professional and industrial.

COST

- ◆ PORT AND TERMINAL SERVICES MUST BE COMPARABLY PRICED TO COMPETITION
- ◆ HANDLING, WHARFAGE, STORAGE AND FREE-TIME ARE KEY COST COMPONENTS



INLAND TRANSPORT INFRASTRUCTURE

- ◆ HOW WELL IS THE PORT SERVED BY INLAND CARRIERS
 - ◆ RAIL - THE NUMBER OF CARRIERS SERVING THE PORT, THE TYPE AND AVAILABILITY OF RAILCARS, TRANSIT TIMES TO CUSTOMERS AND COSTS TO SERVE MARKETS



INLAND TRANSPORT INFRASTRUCTURE

- ◆ TRUCK
 - ◆ PROXIMITY TO MAJOR INTERSTATE HIGHWAYS, THE NUMBER OF CARRIERS SERVING THE PORT AND THE ASSOCIATED COSTS FOR INLAND DISTRIBUTION

A blue-tinted photograph of the Golden Gate Bridge in San Francisco, viewed from a low angle looking up at the tower and cables. The bridge spans across the water, and the sky is a deep blue.

OCEAN CARRIER BASE

- ◆ SPECIFIC CARRIERS SERVING THE PORT
- ◆ MARKETS SERVED FROM THE PORT
- ◆ FREIGHT RATES
- ◆ FREQUENCY OF SERVICE
- ◆ TYPES OF VESSELS EMPLOYED IN THE TRADE



PORTS

- ◆ DEVELOP STRATEGIES TO IMPROVE PERFORMANCE AND RETURNS ON THEIR OWN BUSINESS
- ◆ DEVELOP STRATEGIES FOR FURTHER GROWTH
- ◆ SECURE COMPETITIVE ADVANTAGE



HOW DOES A PORT ACCOMPLISH THIS?

- ◆ DEVELOP A SUPPLY CHAIN --
“WITHOUT BORDERS”
- ◆ COMPLEMENTARY PARTNERS IN
THE SUPPLY CHAIN WORKING
TOGETHER TO PROVIDE
SMARTER AND MORE
EFFICIENT SERVICE TO
PRODUCERS

A dark, blue-tinted photograph of the Golden Gate Bridge at night, with its towers and suspension cables visible against a dark sky and water.

STRATEGIC ALLIANCES

- ◆ SERVICE PROVIDERS IN THE SUPPLY CHAIN WORKING TOGETHER TO PROVIDE A DYNAMIC DISTRIBUTION NETWORK WITH KEY PERFORMANCE INDICATORS TO ENSURE TARGETS ARE MET AND EXCEEDED

A dark, atmospheric photograph of the Golden Gate Bridge at night, with its towers and suspension cables silhouetted against a deep blue, misty sky. The bridge spans across the water, and the overall mood is serene and professional.

STRATEGIC ALLIANCE PROCESS

- ◆ IDENTIFY POTENTIAL PARTNERS
- ◆ SHARE STRATEGIC PLANS
- ◆ IDENTIFY MUTUAL SYNERGIES

A dark, blue-tinted photograph of the Golden Gate Bridge at night, with its towers and suspension cables visible against a dark sky. The bridge spans across the water, and the overall mood is serene and industrial.

STRATEGIC ALLIANCE PROCESS

- ◆ DEVELOP COOPERATIVE PLAN FOR SECURING AND MANAGING BUSINESS
- ◆ FORM HORIZONTAL ALLIANCE TO CREATE SERVICE NETWORK AND GAIN ECONOMIES OF SCALE



IMPACT

- ◆ A FOCUSED AND COST-EFFECTIVE LOGISTICS SYSTEM
- ◆ WIN-WIN FOR PRODUCERS AND PORTS AND OTHER LOGISTICS SERVICE PROVIDERS