



ScanCom do Brazil acquires own industrial area in Telemarco Borba

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SCBR acquires own industrial area in Telemarco Borba – a dream comes true!

On June 05th 2007 one day before SCBR completed its 5 years anniversary in Brazil, SCBR bought former Braslumber – a 68.000 m2 area in the industrial zone in Telemarco Borba. This was a strategic decision made to consolidate the operation in Telemarco Borba and obtain our own area to develop our business in the future. The new land is now named 'SCBR OM TB'.

The area consists of an old factory building with office facilities, 7 kiln driers, a boiler, a silo and 2 warehouses. The open

area without buildings has been prepared to install the forced air drying system (FAD) in full scale. Our aim is to build up a stock in TB allowing us to FAD all wet timber before shipment or kiln drying. By shipping FAD timber instead of wet planks we will optimize container loadability. By FAD drying wet planks before they go to the kiln dryers we reduce drying time and hereby optimize the utilization of the existing KD park. Consequently the drying cost will be reduced and the group savings on sea freight will be substantial.

The new area also functions as a central stock and dispatch area where Scancom can keep a much better control of the in- and output compared to storing and shipping directly from the contracted sawmills as has been the case until now.

The rebuilding of the KD facilities is in full process and is expected to be finalized by September 2007. This will increase the SCBR OM KD capacity by 70%.

Future plans

The project group is now in process of defining next step of the strategy plan for the new area: Installation of an OM sawmill in Telemarco Borba.

We expect that a new sawmill with capacity to cut the majority of the logs from the region will be in place by January 2009. This will decrease internal transport cost and improve quality of the sawn planks significantly.

A natural next step will be the installation of a component factory to reduce sea freight cost further - and who knows, we might also be able to produce finished furniture in Brazil in the future.