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January 2012



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Wood is the material for the future!

DESPITE THE TOUGH BUSINESS climate for many parts of the wood industry right now, I feel great confidence in the future. Wood is a material for the future and over time it will stand up well in competition with other materials. The raw material is renewable and energy consumption in production is very low compared with the alternatives. Wood is a strong, attractive and formable material – and the design possibilities are limitless.

In this number of SetraNews you can read a lot about glulam. We pay a visit to Setra's modern glulam factory in Långshyttan and take a closer look at some inspiring glulam designs.

THE YEAR WE HAVE LEFT BEHIND US has been eventful for Setra and for many of our customers. Exceptional events in several of our key markets have had a clear impact. I am thinking of the tumultuous political developments in North Africa, the devastating tsunami in Japan, and during the autumn the escalating debt crisis in our home markets in Europe.

A new year brings new challenges and new opportunities. Unfortunately some of the events of the past year will continue to affect and challenge us, at least at the beginning of 2012. So let us join forces and make the most of the opportunities and do our best to make sure that 2012 will be a really good wood year!

Börje Bengtsson
President and CEO of Setra



SetraNews is Setra's customer newsletter. It is published in Swedish and English for customers, employees and other stakeholders in Sweden and abroad. The purpose of the newsletter is to spread information about the company and tell readers about the latest news.

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IT'S ALL HAPPENING AT PLUSSHUS

NEW CONSTRUCTION Setra's subsidiary Plusshus has a lot of exciting projects underway. Among other things the new year will start with delivery and assembly of modules for a new hotel building at the Sänga-Säby conference centre outside Stockholm. The new hotel will have 72 double rooms and is expected to be ready in August 2012. Another project is Flyghallen in Skarpnäck south of Stockholm where 34 modern terraced houses are being built.

Plusshus, which has its head office in Skellefteå, already had factories in Kristinehamn and Arvidsjaur. During the autumn manufacture of modules and box units started in new factory premises in Renholmen outside Skellefteå.



Enthusiasts at the sawmill in Heby.

Setra runs for health

CHALLENGE A competition between Setra's different units took place during the autumn. This competition, which was called "Round the sawmill" involved running or walking along measured, equal-length tracks close to the workplace.

The initiative started in Heby and the two enthusiasts who ran the project are Olof Johansson and Göran Fallgren.

"It began with an internal competition where I challenged Göran. Then we started to think that this was a good way to get people going," explains Olof Johansson.

"At first we had to nag to persuade people to come along but then more and more came. And the best of all is that we have got people to join who do not normally exercise and that this initiative has spread to more units," says Göran Fallgren.

When the competition ended, Setra's glulam factory in Långshyttan was the winner with the most rounds per employee. The next challenge for Setra's employees will be the "Stafett-Vasan" skiing competition which will take place in March.



This is what Setra's customers want to build in wood

NEW IDEAS When the trade fair on rails, Building Train, travelled through Sweden during the autumn, Setra took the opportunity to ask visitors to reveal their wood-builder dreams.

By far the most popular building project was a house. Other leading ideas included saunas, playhouses and patios. It was noted, however, that many people had wood's flex-

ibility in their thoughts and allowed their imagination to fly. Some of the rather more innovative ideas included a floating ice rink, a submarine and a Royal Enfield motorcycle.

A prize was drawn from the answers received and the winner was Lasse Falk from Lars Bygg in Tyresö. Lasse wanted to build an industrial premise and warehouse.



WHAT HAVE SETRA ROLFS AND SANTA CLAUS IN COMMON?

CUSTOMER COOPERATION Haparanda Wood Art is a company that is specialised in manufacture of leisure buildings made of wood. During the years the product range has expanded and today the company offers a number of buildings in several models and sizes. The range includes grillhouses, gazebos and saunas built in redwood from Setra Rolfs.

Haparanda Wood Art started ten years ago and the business has grown considerably over the past five years with customers throughout Europe as well as in Japan. The company is particularly proud of its 200 square metre cabin for the Santa Claus Village in Rovaniemi, Finland.

Owners Tommi Grundström and Pertti Siivola believe that the key to their success has been a combination of high quality and intensive marketing.

DID YOU KNOW THAT...

... Setra is Sweden's largest pure sawmill and wood processing company and the sixth largest company in the entire Swedish forest and wood industry.

Source: Largestcompanies.com, figures from 2010.

Setra's trainee wins wood technology prize

AWARD Setra's trainee Harald Nylinder has been presented with Wood Technology Prize 2011. Harald, who has a degree in forestry from the Swedish University of Agricultural Sciences (SLU), was awarded the prize for his thesis "Design of product calculator for processed wood products".

The Wood Technology Prize is sponsored by the Swedish Forest Industries Federation and the magazine NTT and the purpose of the prize is to call attention to students within wood technology. The author of the winning thesis, in addition to the honour and a statuette, receives SEK 25,000 in prize money.

"This was really interesting work and naturally it is nice to have been

awarded this prize," says Harald Nylinder.

The Wood Technology Prize was handed out at the Wood Market in Karlstad on 24 November.



Setra's trainee, Harald Nylinder, wins the Wood Technology Prize.

WOODEN FLOORS ARE TRENDY

INTERIORS Wood in general and pine in particular are what you want right now according to trendsetters. Among others, Sweden's perhaps most medial trend expert, Stefan Nilsson at Trendgruppen, announced a while back that he is totally sure that most Swedes will purchase something made of pine for their home over the next year.

Setra Furutilja is of course entirely in line with the current wood trend. Furutilja is available in five different variants – untreated, white oil, natural oil, structure white and structure black. It is manufactured from fine-textured pine from the forests of Norrland which makes it extra hardwearing.

Glulam from Långshyttan

MODERN MANUFACTURE BASED ON SKILL AND TRADITION

At Setra's facility in Långshyttan, glulam manufacture is adapted to meet constantly rising customer demands. A broad standard range and customised solutions for a market that is international and growing are manufactured here. In the Swedish market one competitive advantage is a well developed logistics system.

TEXT: KATARINA BRANDT PHOTO: ANDERS ELIASSON

SAWMILLS AND IRONWORKS have traditionally followed each other in many places in Sweden. This is also the case in the old industrial community of Långshyttan just outside Hedemora in Dalarna. Today there are no more sawlog transports to the sawmill which started up in 1897 down by the lake. It now houses Setra's glulam factory which is a modern facility with a high degree of automation.

Glulam manufacture started on a small scale in 1965. At the start manufacture was carried out next to the sawmill which also housed a roof truss factory. Over 30 years later, in 1996, a new glulam factory was built in Långshyttan. Following an investment of approximately SEK 20 million the factory was upgraded in 2007. This made it possible to increase glulam production by 50%.

"We have a production rate of 35,000 cubic metres per year but our goal is set even higher. Growth is 5-8% per year and the target is a full three-shift operation and 50,000 cubic metres per year," says Kjell Lilletjernbakken who has been manager at Långshyttan since 2004.

Natural and stronger than most

But what is glulam really? Åke Persson, who is environment and quality manager at Långshyttan, takes us through the



Fredrik Eriksson, Tony Ersson, Jörgen Hedman, Anders Karlsson, Anders Lundström and Kenneth Fendinge alongside one of the long glulam beams.

manufacturing process. It is soon obvious that the secret behind this popular building product is as simple as it is smart. It is about regular joists and planks that through finger jointing are put together into long laminates. The laminates are

planed, glued, laid together and pressed under high pressure into beams of the required size. The result is a material that is natural and stronger than both steel and concrete in relation to its own weight. An ideal material for bearing structures



Setra's facility for glulam manufacturing is in Långshyttan, just outside Hedemora in Dalarna.



Wood laminates pass through a curtain of glue with high strength and durability.



At inspection, the beams are checked and visible damage is repaired.



The strength of finger joints and the quality of the laminate joints are tested regularly.

and particularly suitable in very wide buildings.

“Here in Långshyttan we offer a standard glulam range such as bearing beams and columns in 32 sizes for fast delivery,” explains Åke.

“We cut them exactly with millimetre precision if customers so require. For the Swedish market we also have special manufacture of beams based on customer needs. Our glulam beams can be supplied in lengths up to 21 metres.”

The raw material accounts for a large portion of the cost of glulam manufacture and must be sourced locally in order to make production efficient. The raw material for the glulam production in Långshyttan is spruce, which historically has been sawn at Setra’s sawmill in nearby Heby. Today, a significant volume of raw material also comes from the sawmill in Färila as well as from external purchases.

Popular material worldwide

The Swedish wood processing industry operates in a global market. This applies in particular to Setra’s glulam where half of production goes to export, primarily to Germany, Japan, the UK and Italy. The facility in Långshyttan has been manufacturing glulams for over 45 years which is a long time compared with many foreign competitors.

Every month 10–15 containers leave the facility for the port of Gävle and reach Japan by sea just over one month later.

“When we do business with other countries, we must have knowledge of their culture and adapt ourselves accordingly,” explains Leif Cederlöf, sales manager for glulam.

“Japan has a wood culture that stretches far back in time and even today many Japanese homes are built of wood. But they have a shortage of raw material which means that glulam imports to Japan are substantial. Historically, the Japanese bought a lot of glulam from the US and Canada but this has changed to our advantage. Japanese and Swedes get on very well together and personally I really enjoy doing business with them.”

Flexibility, quality and reliable deliveries

In Långshyttan production has been adapted to meet the increased customer demand for glued wood and stable-



Plusshus’ wall element order leads to new working duties in the finishing unit.

shaped products. The factory is highly flexible which means that each individual order can be given special attention. The glulam delivered is customised directly for the end user. A well-developed logistics system allows the products to be delivered quickly and securely throughout Sweden.

Our visit to Långshyttan on a grey day in November included looking at work on a new project which has just started in the finishing unit. Setra’s subsidiary Plusshus has ordered glulam wall elements and 48 elements must be produced in just a few days. These are then destined for the Plusshus factory in Renholmen for assembly before reaching their final destination – a new hotel building at the Federation of Swedish Farmers’ (LRF) conference centre in Sänga-Säby outside Stockholm.

“Reliability is high when it comes to our deliveries. Today we have a delivery reliability of 99.3% which is naturally a source of comfort for our customers. If they order a beam for a specific date, then naturally that’s when it will be delivered. Our aim is to be best in Sweden when it comes to deliveries,” says Kjell Lilletjernbakken.

Both Kjell and Leif are optimistic about the future for glulam and believe in continued growth.

“We note that glulam is gaining market shares in building frames. This is because glulam is strong, attractive, eco-friendly and easy to handle and work with.

“From a philosophical perspective it is interesting to think that what were small seedlings during the second world war are glulam today. Isn’t it fascinating that a tree has grown in our service for more than 70 years in order to become a glulam beam today,” Leif Cederlöf concludes. ■

100 YEARS OF GLULAM

1906

Otto Hetzer in Germany is granted a patent for his system with laminated beams. But not for the recipe for his glue which remains a secret until the late 1950s.

1919

A Norwegian company starts glulam manufacture in the plains of Skara.

1923–25

The central railway stations in Stockholm, Malmö and Gothenburg are built using glulam structures.

1942

A new weather-resistant glue was introduced, phenol-resorcinol adhesive.

1965

Glulam manufacture on a small scale started in Långshyttan.

1973

Svenskt Limträ AB was formed as a forum for technical information and development within the Swedish glulam industry.

1996

A new glulam factory was built in Långshyttan.

2007

The factory in Långshyttan was upgraded and production capacity increased by 50%.

10 STRONG ARGUMENTS FOR GLULAM

Glulam is:

Strong – In relation to its weight, glulam is one of the strongest construction materials.

Eco-friendly – The raw material is renewable. Glulam can be reused or recycled.

Attractive – Glulam adds character and is therefore popular with architects.

Energy-saving – Energy consumption in glulam manufacture is very low compared with other materials.

Durable – Glulam copes with aggressive environments better than many other construction materials.

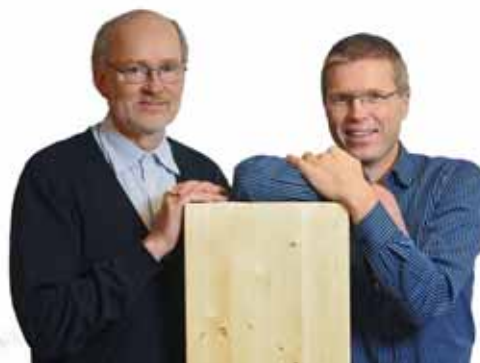
Formable – Glulam can be manufactured in practically any shape at all.

Stable – Glulam does not twist or bend.

Less combustible – Glulam resists fire better than many other materials.

Value for money – The total cost of a glulam structure is often lower than for alternative materials.

Easy to work with – Glulam can be processed using both simple hand tools and mechanical tools.



Leif Cederlöf and Kjell Lilletjernbakken are optimistic about the future for glulam.

Setra Långshyttan
 RAW MATERIAL Sawn whitewood PRODUCTS Glulam
 PRODUCTION VOLUME 35,000 m³ (2011)
 MAIN MARKETS Sweden, Germany, Japan, the UK and Italy. Approximately 50% goes for export
 NUMBER OF EMPLOYEES 44
 FIRST ESTABLISHED 1897, glulam manufacturing started 1965.

GLULAM FOR LIMITLESS structures

The possibilities for what can be built using glulam are almost endless. The advantages of the material are a source of inspiration for professionals and “do it yourself” enthusiasts in Sweden and abroad. It is attractive, light, strong, easy to work with and allows large spans and airy rooms. Furthermore, glulam products have an obvious place in the eco-cycle society. The wood material is renewable and obtained from sustainably managed forests to then be transformed in energy-efficient facilities.

TEXT: KATARINA BRANDT AND KAROLINA GRUNDIN



Photo: Christian Ljung

ROMME SKI LODGE

Swedish tradition meets the US on the ski slopes.

Romme Alpin outside Borlänge is Sweden's most-visited ski centre outside the mountains. So that they could welcome more guests, a ski lodge with a hotel and restaurant was built a couple of years ago. The new building, which has visible glulam as part of the construction, was inaugurated on Christmas Day 2009.

“We wanted the feeling of an American ski lodge, mixed with what is typical for the area of Dalarna,” explains Viktor Funcke at Romme Alpin.

They engaged Dalark Arkitekter in Falun to help them. Lars-Olof Holmqvist was the architect at Dalark who designed the building and for him glulam was a natural choice.

“In order to create a feeling of space, we had to use a construction material that could be visible. Glulam is also suitable for a ski environment and it has the major advantage that it can be exposed without needing any processing. Furthermore, you avoid a lot of complications from a fire safety aspect,” says Lars-Olof Holmqvist.

In order to suit its environment, Romme Ski Lodge was given a fairly traditional design where the rustic elements are highlighted. When an extra building was added to the ski lodge last summer, it was obvious to extend using the same theme. The glulam beams for both the new building and the original ski lodge came from Setra.



Photo: Christian Ljung

ORNAMENTAL CARPENTRY

Many people associate glulam with large building projects but glulam is just as suitable for the home carpenter.

In Utvalnäs, outside Gävle, there is a pretty, two-storey house where wood has been given a lot of space both inside and out. The spacious terrace which goes at an angle round the house is built of brown decking and glulam from Setra. As protection against sun and rain the terrace has been given a roof which is held up by an attractive and practical glulam structure.

For the owners, who are also the carpenters, the choice of glulam was obvious. They wanted a strong material that is easy to work with and that suited the style of the house. The result is an attractive and functional terrace which will certainly last for several generations.

GLULAM IN FRENCH

Recreation with space.

Even though the French like to build in glulam, Setra does not export any finished glulam there. On the other hand France is a major market for sawn timber which the French then transform into glulam themselves. In recent years several major glulam projects have been realized with the help of Swedish wood from Setra.

One of the bigger projects is the swimming hall in the town of Les Ulis outside Paris. When the town was planning a new recreation centre in 2005, architect Marc Mimram chose to design a building where light was in focus. Visible glulam in the roof created space and a nice flow of light while improving acoustics at the same time.

"Glulam was chosen among other things because the material makes it possible to shape the roof as arches. The idea is that it calls to mind the shape of a skate fish," explains Setra's French sales representative Philippe Cacheleux.



Photo: Luc Bregly



Photo: Anders Eliasson

VANDALORUM

A new meeting place for art and design.

Sweden's new centre for art and design, Vandalorum outside Värnamo, was opened in April 2010. Renzo Piano, one of the world's best-known architects, has put his signature on the entire centre which in its policy statement shall maintain "high class and be characterised by a cross-discipline ambition between art and design, form and architecture."

"We received an order for 68 cubic metres of glulam for the frame which was then extended with an additional order for ten cubic metres for decorative details. Everything was delivered in lengths which were then assembled on site," explains Ronny Dahlberg, sales representative at Setra Långshyttan.

On the Vandalorum site there was once a barn of impressive size, painted red and with an ingenious roof construction. Renzo Piano Building Workshop allowed the barn to multiply into eleven smaller barns, placed in a ring for natural tours of exhibitions and other functions.



Photo: Ola Högberg

LINNÉ UNIVERSITY, BUILDING M

A department building that extends the limits of Swedish wood construction.

Växjö is the centre of one of Sweden's largest forest and wood industry regions and has had a considerable focus on building in wood in recent years. This can be seen in particular on the campus at Linné University where wood is an important and consistent building material in the buildings from recent years.

Building M, with its over 11,000 square metres, was Sweden's largest wooden building when it was completed in 2002. It has been constructed using a very extreme timber construction technology and houses the department for industrial production systems. The aim behind Building M was to construct a large and modern building using a system approach within wood and to extend the limits of Swedish wood construction. This was done with the help

of industrially manufactured building components and building technology systems which both facilitated and rationalised the work.

The building's framework, beams, columns and joists are all pre-fabricated glulam elements. Two of the three lift shafts are also made of wood, as are the stairwells and the frame that holds up the enormous steel traverse in the 600 square metre laboratory. Wood was chosen for this frame in order to demonstrate how strong and solid this material is.

The building contains lecture rooms, offices, laboratory premises, a café and a room for external companies with links to the department's activities. Setra has supplied glulam to the building where the architectural impression is of painted panel facades and large glass areas.



Hans-Joachim Neuhaus
Title: Sales Manager,
Redwood business area
Age: 60
Lives: Gävle
Family: Wife, two daughters
and three grandchildren
Interests: Spending time
with his family, cars,
cooking

With a German feeling for Swedish pine

TEXT: KAROLINA GRUNDIN PHOTO: CHRISTIAN LJUNG

THE STORY OF Hans-Joachim Neuhaus and the Swedish wood industry started in 1974 in the German city of Cologne. Through his trainee position at a German wood company, Hans-Joachim was invited to experience the sawmill industry close at hand. The place was Valbo in the municipality of Gävle in Sweden.

"I was 23 and got into my little Beetle and headed for unknown Sweden," Hans-Joachim remembers.

After some trips back to Germany, he is today, 37 years later, still in Gävle and has become a familiar face among Setra's customers.

Believes in North Africa

Over the years Hans-Joachim has worked at a number of Setra's units, mainly with customers within European industry. Since 2009 he has been sales manager within the Redwood business area which

has included new markets such as North Africa and Japan. These are markets that have seen a lot of growth in recent years, with the exception of 2011. The tsunami in Japan is still having an effect on wood imports and the political situation remains uneasy in many North African countries.

"We have indications that sales are about to pick up again and in the long term I believe that the future for redwood is in North Africa."

Employees important

Hans-Joachim believes that it is largely the challenges at work that "keep him young". For him sales work is very much about cooperation, following a consistent path and trying to predict what will happen in the market.

"Our success is based entirely on having skilled employees who know what needs to be done. One person cannot do

everything. But for me it is important to have some discipline, structure and routines at work. I suppose I am rather German in that way," Hans-Joachim smiles.

Wants to be stronger in neighbouring markets

The focus for the Redwood business area is now to develop business in Setra's existing markets. Strengthening the company in neighbouring markets is important and over time Hans-Joachim believes that the European market also will see a turnaround.

"Wood will always be the best building material and the pine that grows in Sweden is unique. There is not much redwood of such a high quality and at such a good price around the world, so we have an enormous competitive advantage," says Hans-Joachim.

SETRA is one of Sweden's largest wood products companies and a leading player in Europe. We offer eco-certified wood products for interiors and construction to customers in the building materials trade and industry.

Sawn and planed wood products in redwood and whitewood account for most of sales. The assortment for the building materials trade includes products such as floor, glulam, exterior claddings, interior claddings and decking.

Setra has 1,100 employees and annual sales of approximately SEK 4.6 billion. Exports to Europe, North Africa, the Middle East and Japan account for almost 60% of sales.

Setra Group includes ten sawmills, three independent wood processing units and three modular building factories.

Setra has approximately 2,200 shareholders, of which the largest are Sveaskog (50%) and Mellanskog (49%). Other shareholders own approximately 1% of the shares.