



The Turman Group

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**Wil Brush and Ryan Turman**

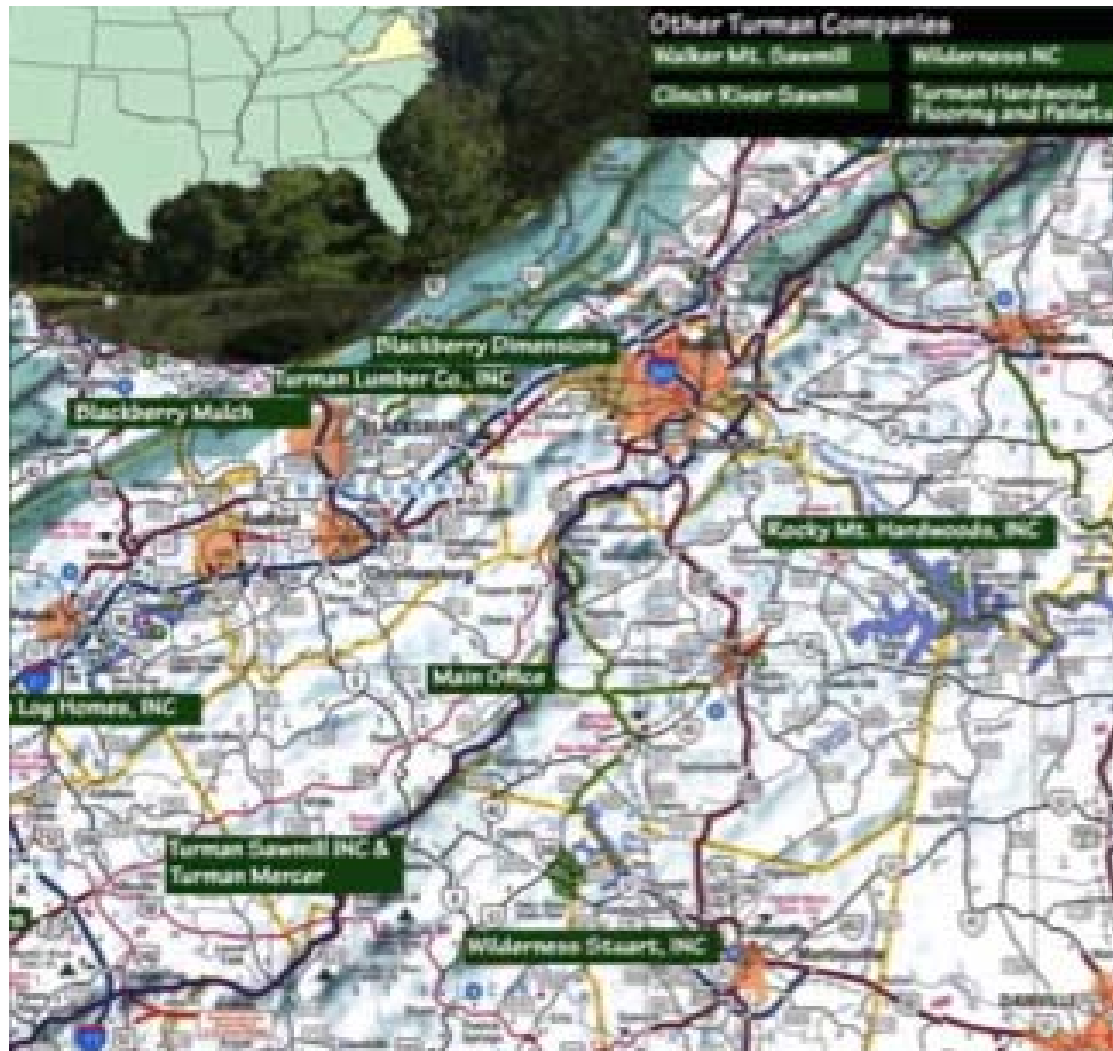
**Education Abroad**





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# Company Profile

- Est. in 1967
- 5 Sawmills—40 Million BFt. Annually
- Capacity Kiln Space over 2 Million BFt.
- Hardwood Flooring Facility
- Log Home Manufacturer
- Mulch Facility
- Green Energy Pellet Facility





# Company Profile cont.

- Phillips and Turman Tree Farms
- 20,000 Acres of Real Estate
- 400+ Employees
- 60+ Million in Total Sales





# Hardwood Lumber Industry

- 2008 Estimated Board Footage of 8 Billion
- Lowest Since 1981
- 2007 17.9% decrease and 2008 8.8% decrease
- Decrease in Volume in 7 of the last 9 years

**Source: Hardwood Market Report via Joel Stopha**





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# Product Listing--Lumber



Ash



Basswood



Cherry



Hard Maple



Hickory



Red Oak



Poplar



Soft Maple



Walnut



White Oak



White Pine



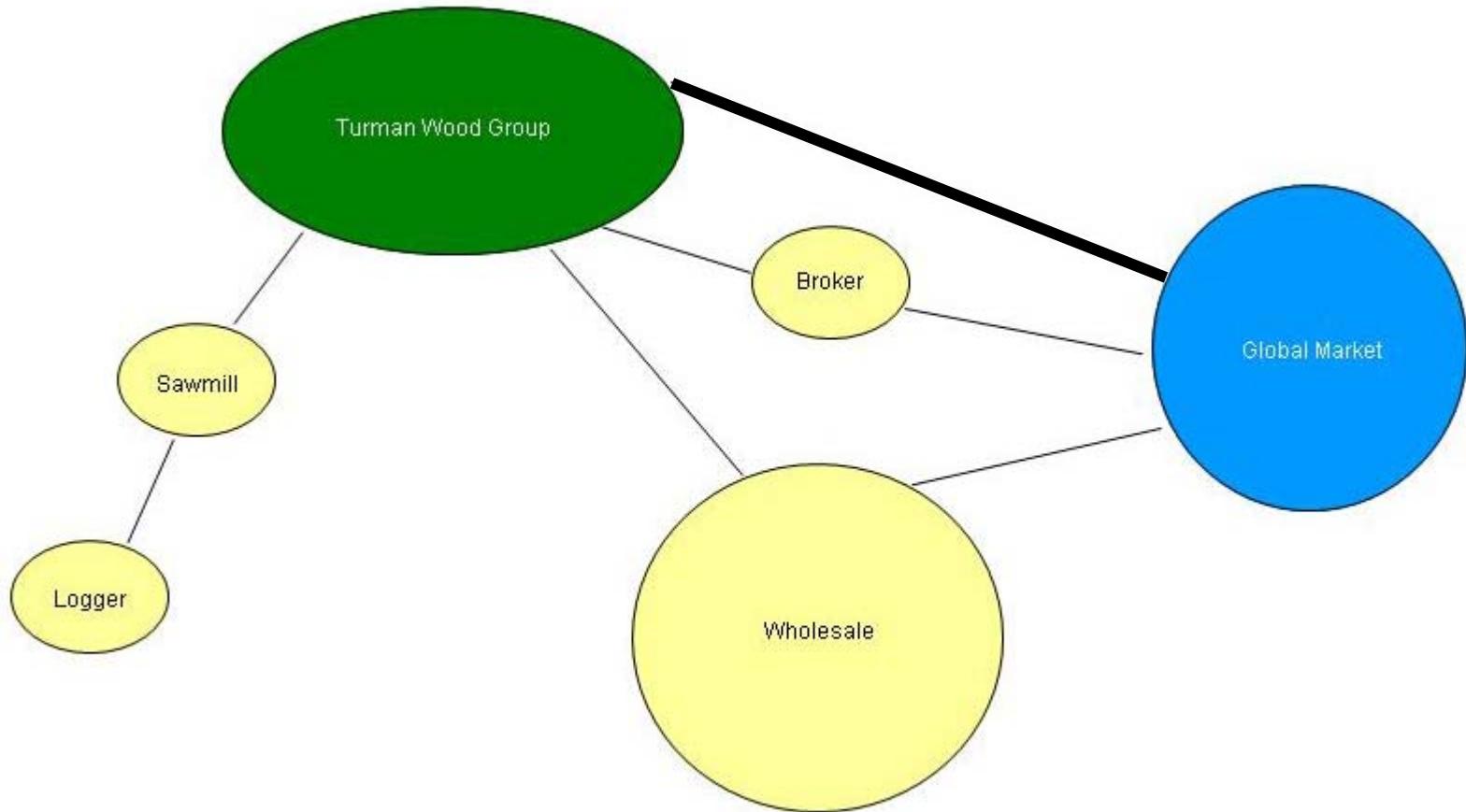
# Export History

- Exported through Brokers and Wholesalers
- China, Vietnam, England, Germany, Saudi Arabia



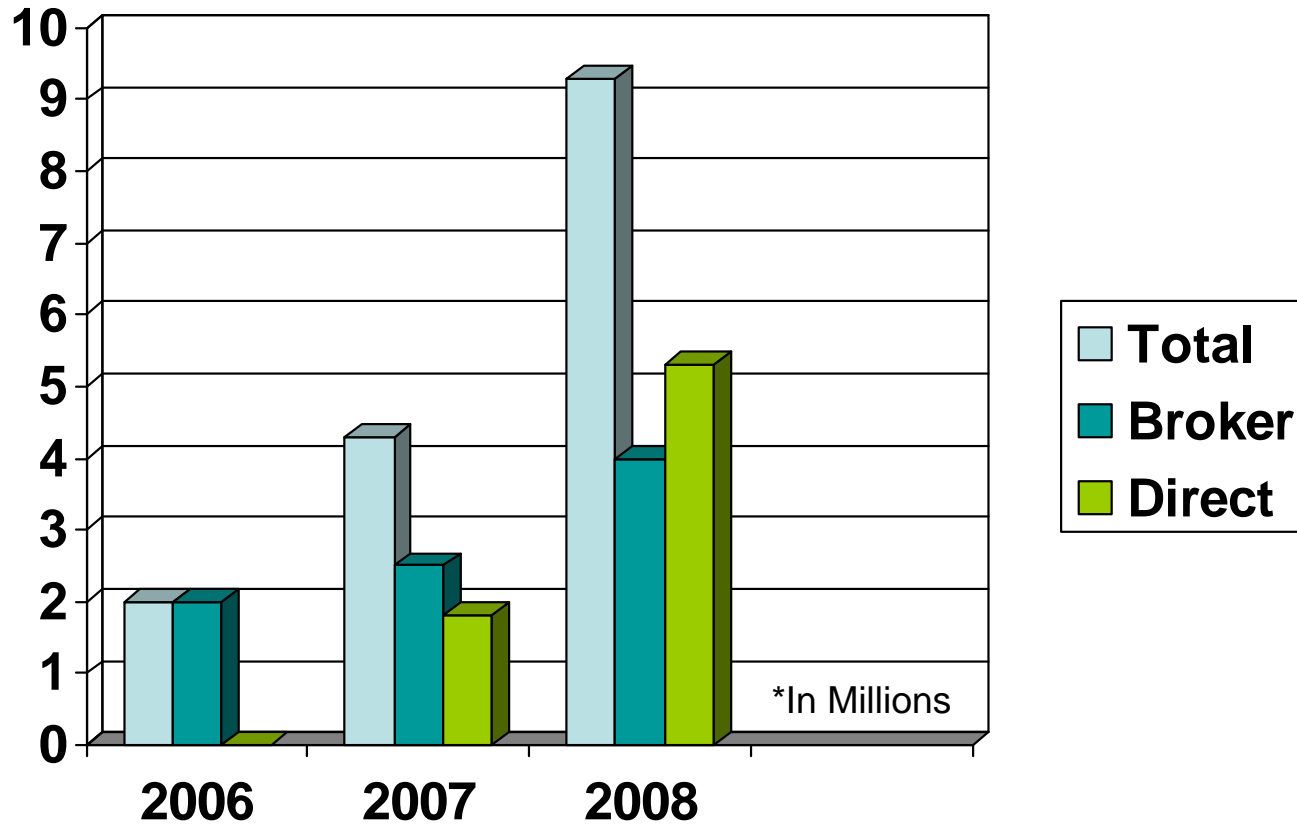


# Supply Chain--Export





# Going Direct





# Export Approach

- Assume Nothing
- Explore All Resources
- Beware of Doubters
- Continue to Question Approach
- Schedule for Maximum Time





# Successes

- *33 Companies*
- *2007 45% 2008 59%*
- *Established Network in China*
- *Freight*





# Failures

- Packaging
- Branding
- Marketing





# Advantages

- Youth Naivety
- Basic Language Skills
- Direct Source
- Great Appalachian Stock
- AHMI Certification—Sustainable Forestry
- Vertical Integration





# Disadvantages

- Price Point—Vertical Integration
- Cash Flow—Credit
- Lacey Act, SFI and FSC Certification
- Vietnam Presence
- World Market





# Current Global Trends

- China and Asia
  - Next Generation
  - Partial Loads / Available Inventory
- Europe
  - Currency Devaluation





# Goals

- Next 2.5 Years—Move with the Market  
Vietnam, China, India, Spain, Germany  
Mexico, Canada, Italy, United States
- Payment Terms Options
- Freight--SEDA
- Container Matching





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# Questions

