

PRESS RELEASE

RIVERWOOD SOLUTIONS ANNOUNCES RESULTS OF FIRST QUARTER OEM SURVEY

Survey of Senior Operations and Supply Chain Professionals Reflects Economy's Impact on Perceived Partner Viability and Strategic Outsourcing Decisions

MENLO PARK, CA – March 10, 2009 – [Riverwood Solutions](#), the innovator in [managed supply chain services](#), today announced the results of its first quarter survey of Electronic Products OEMs. The March 2009 survey of senior operations and supply chain professionals covers 75 OEMs ranging in size from \$1 million in annual sales to over \$100 billion. Survey respondents spent more than \$150 billion in the global electronics supply chain in calendar year 2008.

The survey data show that the majority of OEMs understand the potential competitive advantage of their supply chain but are concerned about the viability of key supply chain partners, including both EMS providers and component suppliers. Additionally, a large number of companies are considering strategic operations alternatives – such as relocating outsourced production to different geographical regions or partners – to address the heightened need to further reduce costs in this challenging environment. Key findings include:

- 69% of OEMs believe that [supply chain management](#) can be a source of competitive advantage for their company; while just 31% believe that their supply chain is actually more nimble than that of their competitors.
- 53% of companies plan to geographically relocate at least some of their outsourced production in the next two quarters; while fully 50% plan to move some production to another EMS provider during that same period.
- 31% of OEMs report being “Very Concerned” that their EMS provider will be unable to meet their delivery commitments in the coming year based on financial difficulty; while less than 2% of respondents report being concerned that their EMS provider may be acquired by another company.

“The results of Riverwood Solutions’ OEM survey are consistent with what we are hearing from current and prospective customers,” said Courtney Ryan, senior vice president, Global Business Units at [Jabil](#) (NYSE: JBL). “OEMs continue to seek opportunities to reduce cost and improve competitiveness – but with a renewed focus on the supply assurance and financial stability of their EMS partners. EMS providers with sound financials, strong service offerings and the right geographic footprint will clearly be the beneficiaries of the economically induced sentiment evidenced in the Riverwood data.”

“The current and unprecedented economic environment will create not only serious dislocations but also tremendous competitive opportunities in the electronics supply chain over the next few years,” said Ron Keith, COO, Riverwood Solutions. “Difficult economic times often create the catalysts for dramatic shifts in the way companies do business. While many OEMs will simply seek to reduce their exposure to supply chain risk and sharpen up their execution, others are looking for entirely new ways to manage their outsourced relationships.”

For additional results, or to participate in future surveys, please visit:
http://www.rwsops.com/survey_form.php.

About Riverwood Solutions

Riverwood Solutions is a managed services provider that helps OEMs design, implement and manage cost-effective, highly responsive supply chains. Riverwood's team of OEM and EMS (electronic manufacturing services) industry veterans has negotiated more than \$7.5 billion in global supply agreements and launched nearly 200 products in 20 countries for numerous brand owning enterprises. The company's [HOSTSM \(Hybrid Outsourced Services Team\)](#) model provides

clients at any stage of supply chain maturity with skilled project management in the world's innovation centers and in-country operations and supply chain expertise in the world's leading manufacturing centers. Riverwood's unparalleled experience, proven processes and unique model allow OEMs to implement and manage more responsive supply chains at a lower total cost with a long-term partner whose financial goals are aligned with their own.

Headquartered in Menlo Park, Calif., Riverwood (www.rwsops.com) has offices in Dallas Texas, Guadalajara, Mexico, Stockholm, Sweden, and Shenzhen, China.

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