

PRESS RELEASE

Danzer Continues to Grow with Core Products in 2016

Lumber and Flooring Deck Layer Sales Drive Growth

Dornbirn, Austria, April 2017 – Hardwood specialist Danzer reports a slight overall sales growth of 1 % for the year 2016 based on constant exchange rates. 2016 net sales in euro at current exchange rates were 252 million (2015: EUR 254 million). Sales growth was stronger in the first three quarters of 2016, but experienced a setback in the fourth quarter, after a fire affected Interholco AG's operations at IFO in the Republic of Congo. In 2016, Danzer grew its new deck layer business for engineered hardwood flooring by 70 %; its North American lumber production grew by 20 %. Danzer's slicing facilities in Europe operated at full capacity throughout 2016. The company's 15 million Euro investment program to grow and increase resource efficiency is on track.

Danzer, one of the large producers of decorative hardwood products, reports 2016 sales of EUR 252 million (2015: EUR 254 million). After a sales growth of 4 % in the first three quarters of 2016, a fire at Industrie Forestière d'Ousso (IFO), in the Republic of Congo in November brought production at the facility to a halt; subsequently, Danzer sales in the fourth quarter dropped by 10 % compared to Q4 2015. "We are very glad that nobody was injured. By now, production has been fully reestablished", says Ulrich Grauert, CEO of Interholco AG. IFO is owned by Interholco AG, a separately managed Danzer company that focuses on sustainable tropical hardwood (sales 2016: EUR 64 million). Under the Danzer brand, Danzer focuses on hardwood from temperate forests in the Northern hemisphere (sales 2016: EUR 188 million).

Lumber production grew by 20 % in 2016

In North America, Danzer further optimized its new sawmill in Bradford, PA, that had been overhauled in 2014 and 2015 and grew its hardwood lumber production by 20 % to approximately 60.000 m³. The six top species for Danzer lumber in North America in 2016 were White Ash, Black Cherry, Hard Maple, White Oak, Soft Maple and American Walnut; together they accounted for 74 % of the total production volume.

Further investments in sliced deck layer business

Danzer grew its sliced flooring deck layers sales 70 % to EUR 14 million in 2016 – most of this in Europe. In 2016, Danzer started the flooring deck layer business also in North

America: Four new drying kilns at Danzer's Darlington, PA, facility have been put into service in October 2016. Danzer had introduced high-quality sliced deck layers to the engineered hardwood flooring industry in 2012; customers have adopted the new product quickly and Danzer plans to further increase its capacities. "The slicing process can save up to 50 % of the hardwood resource, compared to the traditional sawing process", explains Hans-Joachim Danzer, CEO of Danzer and adds: "Throughout 2016, we have been operating at full capacity in Europe to the extent possible with the on-going investment projects at Danzer France in Souvans. We are continuing to invest in technologies that improve the use of the valuable hardwood resource. The conversion of our plant in Souvans to enable us to produce flooring deck layers also in France will be completed on plan, in summer 2017." The four highest volume wood species for Danzer flooring deck layers in 2016 accounted for more than 90 % of the total output: they were European Oak, American Walnut, European Ash and American Hard Maple; many other species have also been produced for individual customers and projects.

ABOUT DANZER

Danzer is a leading quality hardwood company with production facilities in North America and Europe. The company has approximately 1,600 employees and services customers from 18 sales offices worldwide. Founded in 1932, the company is managed by a family member of the third generation. Danzer owns and manages forests in North America sustainably and produces sliced veneer, lumber and innovative value-added wood timber products for decorative purposes. Danzer products are being used in high-quality furniture, automobiles, interior architecture and other applications.

Interholco AG is a separately managed Danzer company that focuses on sustainable tropical hardwood. It is a leading international supplier of African logs and lumber. The company manages the largest contiguous forest concession in the tropics that is certified by the Forest Stewardship Council® (FSC): 1.16 million hectares. It operates its own production facility in the Republic of Congo with approximately 1,000 local employees.

URL: <http://www.danzer.com>

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