

PRESS RELEASE

Deck layer production for flooring grows **Danzer increases sales in 2015 by 9.5 percent**

Dornbirn, Austria, March 1, 2016 – Danzer, one of the largest producers of decorative hardwood, closes its first business year at its new head office in Dornbirn, Austria, with a considerable increase in sales of 9.5 percent compared to the previous year. In addition to the acquisition of the modern veneer splicing plant in Raspenava, Czech Republic, Danzer significantly grew its business with deck layers for hardwood flooring. Consequently, the capacities for this business segment will be increased further. In contrast, the demand for logs in China has decreased in line with the economic development there. The general trend: Oak and walnut still dominate the furniture sector.

Danzer, one of the largest producers of decorative hardwood, closes its first business year at its new head office in Dornbirn, Austria, with a considerable increase in sales of 9.5 percent – from 233 to 254 million Euro – compared to the previous year. “Especially in the sector of our deck layers for hardwood flooring the demand increased – like in the previous years – significantly. Since we have started our flooring activities in the year 2012, we have continuously increased our capacities in this sector and that is what we are going to do in the future. In line with our strategy we will continue to invest in the production of deck layers in the next years”, says Hans-Joachim Danzer, Chief Executive Officer of the Danzer Holding AG. The planned investments of 15 million Euros will be used to expand and upgrade plants in France and in the Czech Republic. In 2016 the production of deck layers will also start at Danzer plants in the USA.

DEMAND FOR LOGS IN CHINA WEAKER

“Furthermore, with the acquisition of the Czech splicing company Raspenava we can now offer our European customers both veneers and spliced faces. The plant can meet flexibly smaller, customer specific requests and is an expert in splicing thick-cut veneers”, says Danzer regarding this investments and comments further: “In China, the demand for logs declined with the overall cooling off of the economy.” The share of sales of North American wood has increased in 2015 – to 46 percent (from 44 percent in the year 2014). European

wood still adds 24 percent to the overall Danzer sales. The share of sales of African wood has decreased to 29 percent (from 32 percent in the year 2014).

UNCHANGED TREND 2015: OAK AND WALNUT FOR THE FURNITURE SECTOR

Danzer achieved approximately 41.4 percent of its sales with lumber, followed by veneer with 36.5 percent, logs with 9.7 percent and specialty products and custom solutions, e.g. 3D-Veneer with 12.4 percent. “In the furniture sector oak and walnut are still the dominating species. For flooring there is a slight trend towards species in a more clean and less rustic look, although European Oak still is the dominating species”, Danzer adds with regard to current trends.

FACTBOX DANZER:

Among the largest producers of decorative hardwood worldwide

Founding year: 1932

Corporate headquarters: Dornbirn, Austria

Production plants: Europe 3, North and South America 5, Africa 1

Sales offices: Europe 9, Africa 1, Asia 3, Middle East 2, North and South America 8

Product range: Veneer, Lumber, Logs, Specialty (Vinterio, 3D-Veneer)

Sales 2015: 254 Million Euros

Shipped to 86 countries worldwide

Employees: 2,600 worldwide

ABOUT DANZER

Danzer is a leading quality hardwood company. The company employs approximately 2,600 employees and services customers from 23 sales offices worldwide. Founded in 1932, the family oriented company is managed by a member of the third generation. Danzer owns and manages forests sustainably and produces veneer, timber and innovative value-added wood products for decorative purposes. Danzer products are being used in high-quality furniture, automobiles, interior architecture and other applications.

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