

## PRESS RELEASE

15 Million Euro Investment Program

### **Danzer Invests Further in Deck Layer Production for Engineered Flooring**

Dornbirn/Austria. End of November 2015, Danzer's Supervisory Board decided on future strategic priorities: The world largest producer of sliced wood will invest approximately 15 Million Euro in technologies to increase resource efficiency in hardwood production. Danzer plants in France, in the Czech Republic and in the US are going to be adapted or upgraded, respectively. The companies' curve-saw and log scanning technologies will also be optimized further.

End of November 2015, the supervisory board of hardwood specialist Danzer headquartered in Dornbirn, Austria, approved the future strategic focus: In the next years, Danzer – the world's largest producer of sliced wood – will invest major funds in processing technologies for hardwood. The use of new processes will pave the way to major improvements in resource efficiencies. Initially, three projects are in focus: Increase of the production of deck layers for the engineered flooring industry as well as further optimization of veneer and lumber production.

„Over the course of the last years, the flooring market developed very positively. We have started in 2012 to slice deck lamellas for engineered hardwood flooring, and continuously increased our capacity since then. As part of a 15 million euro investment program for the next 18 months, we are now continuing this development and increase the production of parquet deck layers,” says Hans-Joachim Danzer, CEO of Danzer Holding AG, and shares further aspects of the strategy: “The main markets for our flooring products are Europe and North America. The majority of our investments will be used for the upgrading of our veneer plant in Souvans, France; it will specialize on the production of thick-cut flooring lamellas. In addition, we are investing in the expansion of the existing flooring capacity in our veneer plant in Melnik, Czech Republic and start 2016 with deck layer production in the Danzer veneer plants in the US.” In 2015, Danzer produced approximately one million square meters

of sliced hardwood lamellas in its plant in the Czech Republic - the largest volume, around 85 percent of the volume, in European Oak, followed by American Walnut and European Ash. With the capacity additions that have been decided now by the supervisory board, Danzer plans to produce around 3.8 million square meters of hardwood deck layers per year, by the end of 2017 in European and North American species.

#### RESOURCE-EFFICIENT SLICING TECHNIQUE

For years, Danzer has been working on developing its own machines for wood processing - among other things, its resource-efficient slicing machines. "The big advantage of sliced lamellas compared to sawn ones is the significantly better utilization of the wood resource. With knives, we can slice the three-millimeter thick wooden lamellas virtually without any raw material loss, while the saw blade generates up to 50 percent sawdust during manufacturing. The impact can be quantified: Danzer is already saving hundreds of truckloads of sawdust from the valuable hardwood resource in 2015," says Danzer.

#### DANZER'S PIONEERING CURVE-SAW UND SCANNING-TECHNOLOGIES

In line with its strategy, Danzer also continues to further optimize its technologies to increase the yield of the resource Hardwood. This includes the so-called curve-saw technology: "We are one of the first sawmills in the hardwood industry to install a curve saw at our plant in Bradford, USA. This allows producing flat boards from swept logs - as they often occur in nature - thereby increasing the yield," explains Hans-Joachim Danzer the process. The same applies to the scanning technology from Danzer. It will be used in the future for both, optimizing the veneer and lumber production. "Since 2013, we are the only company in the hardwood industry that is using this proven method similar to computer tomography. With the scanner, we see knots and other wood characteristics in the log and find the best way to cut it. With both technologies - curve-saw and scanning - we can make the best use of the valuable raw material, economically and ecologically," concludes Danzer.

#### ABOUT DANZER

Danzer is a leading quality hardwood company. The company employs approximately 2,500 employees and services customers from 21 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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