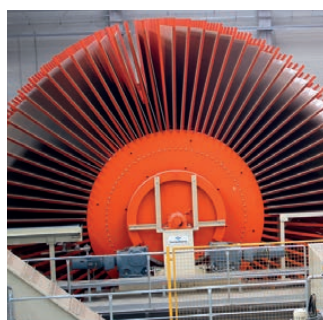
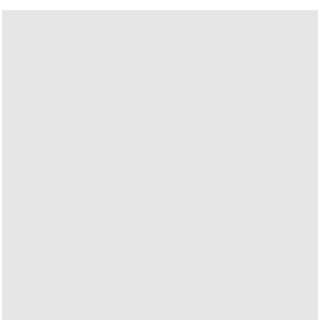
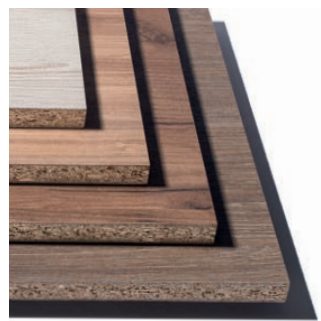
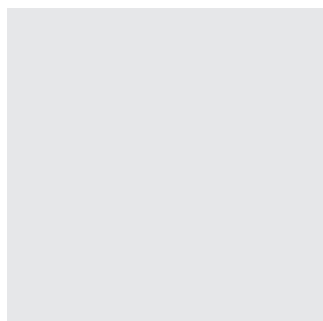
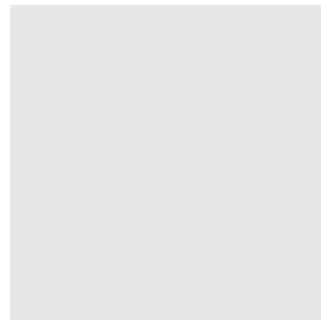
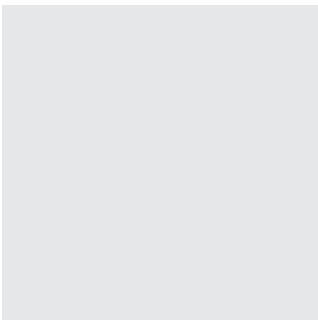
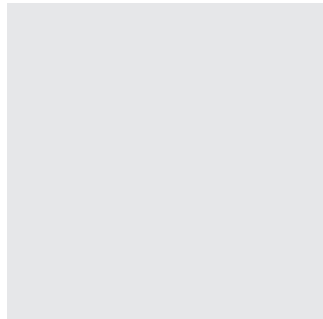
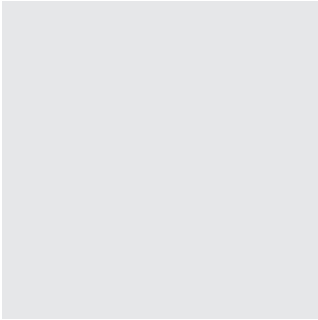


Oxford Furniture Cluster USA



Production Sites

with Furniture Clusters

- 1

SZCZECINEK FURNITURE CLUSTER
 - TVILUM
 - STOL-TAP
 - GRZEŚKOWIAK
 - BHK
 - GREEN ANGEL
 - WOOD TECHNOLOGY INSTITUTE - POZNAŃ
 - ABO

- 2

SMORGON FURNITURE CLUSTER

- 3

LAPOVO FURNITURE CLUSTER

- 4

SZOMBATHELY FURNITURE CLUSTER

- 5

OXFORD FURNITURE CLUSTER

- 6

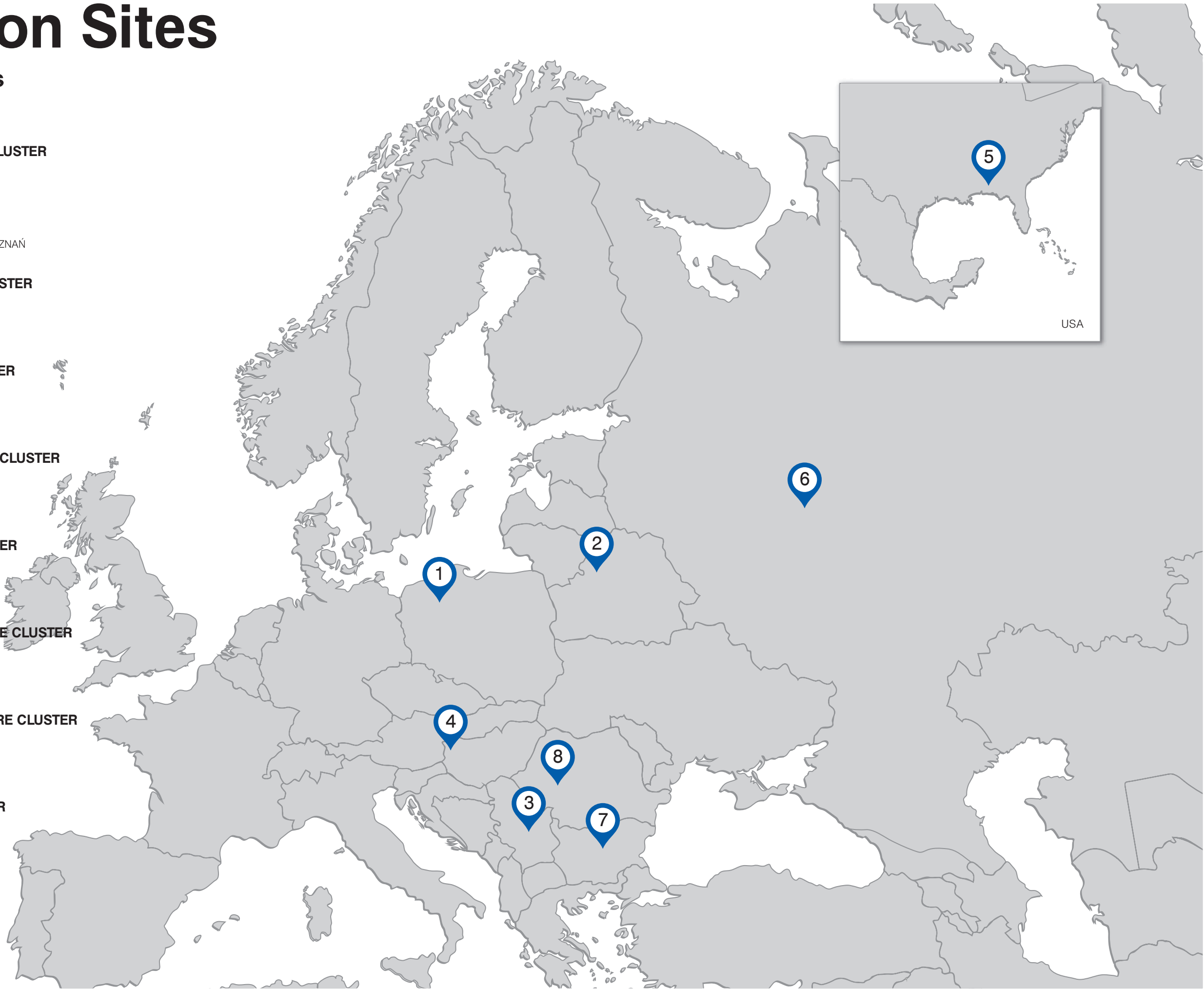
ELEKTROGORSK FURNITURE CLUSTER

- 7

VELIKO TARNOVO FURNITURE CLUSTER

- 8

SEBES FURNITURE CLUSTER



Support for businesses

- We would like to share our location and extend our premises in order to provide our partners with a built area to install furniture production facilities.
- The required infrastructure is already in place: Our location is equipped with high voltage power supply, gas supply, adequate water supply and waste water treatment facilities. Separate meters will be provided for the furniture factory.
- Property tax and local fees are administrated by Kronospan.
- Close proximity between the two manufacturing sites results in near zero transportation costs.
- Just in time delivery of raw and melamine-faced particleboard will result in no stock – which eliminates the burden on cash flow.
- Kronospan will keep the agreed minimum stock levels.
- We would provide you with access to our extensive product portfolio.
- You could benefit from technical support in material processing on-site. Our engineers are experienced in both furniture production technology and equipment – whether that's mechanical, electrical, automation software or robotics.
- Kronospan will support you with administrative issues, including registration of a legal entity, the local register and banks.
- We could also provide support with accounting, tax and payroll regulations as well as reconciliation of local accounting with internal reporting.
- We will assist you with your recruitment process with our HR specialists and database.
- You could receive support from the on-site Kronospan design and marketing department.

Kronospan Worldwide

Production Sites:

- 1

Lungötz, Austria
- 2

Salzburg, Austria
- 3

Chirk, United Kingdom
- 4

Sandebeck, Germany
- 5

Szczecinek, Poland
- 6

Poznan, Poland
- 7

Lampertswalde, Germany
- 8

Sanem, Luxembourg
- 9

Jihlava, Czech Republic
- 10

Pustków, Poland
- 11

Burgas, Bulgaria
- 12

Mielec, Poland
- 13

Danyang, China
- 14

Bischweier, Germany
- 15

Zvolen, Slovakia
- 16

Egorievsk, Russia
- 17

Sebes, Romania
- 18

Bjelovar, Croatia
- 19

Novovolynsk, Ukraine
- 20

Mohacs, Hungary
- 21

Oxford, USA
- 22

Riga, Latvia
- 23

Veliko Tarnovo, Bulgaria
- 24

Ponterosso, Italy
- 25

Spremberg, Germany
- 26

Szombathely, Hungary
- 27

Lapovo, Serbia
- 28

Strzelce Opolskie, Poland
- 29

Brasov, Romania
- 30

Kastamonu, Turkey
- 31

Smorgon, Belarus
- 32

Burgos, Spain
- 33

Salas de los Infantes, Spain
- 34

Elektrogorsk, Russia
- 35

Ufa, Russia
- 36

Mogilev, Belarus
- 37

Auxerre, France
- 38

Le Creusot, France
- 39

Ryomgaard, Denmark
- 40

Clarion, USA
- 41

Grodno, Belarus
- 42

Jaslo, Poland

Furniture Clusters:

- 5

Szczecinek, Poland
- 17

Sebes, Romania
- 21

Oxford, USA
- 23

Veliko Tarnovo, Bulgaria
- 26

Szombathely, Hungary
- 27

Lapovo, Serbia
- 31

Smorgon, Belarus
- 34

Elektrogorsk, Russia

Chemical Plants:

- 1

Chirk, United Kingdom
- 2

Burgos, Spain
- 3

Aarhus, Denmark
- 4

Lampertswalde, Germany
- 5

Szczecinek, Poland
- 6

Ostrava, Czech Republic
- 7

Strazske, Slovakia
- 8

Sebes, Romania
- 9

Mogilev, Belarus
- 10

Egorievsk, Russia
- 11

Ufa, Russia
- 12

Kastamonu, Turkey
- 13

Oxford, USA

Distribution Centers:

- 1

Mouscron, Belgium
- 2

Tárnok, Hungary
- 3

Sofia, Bulgaria
- 4

Samara, Russia
- 5

Saint Petersburg, Russia
- 6

Kiev, Ukraine
- 7

Dnepropetrovsk, Ukraine
- 8

Penza, Russia
- 9

Ulyanovsk, Russia
- 10

Moscow, Russia
- 11

Yekaterinburg, Russia
- 12

Novosibirsk, Russia
- 13

Rostov-on-Don, Russia
- 14

Krasnodar, Russia
- 15

Goole, United Kingdom
- 16

Chatham, United Kingdom
- 17

Istanbul, Turkey
- 18

Nicosia, Cyprus
- 19

Kazan, Russia
- 20

Tbilisi, Georgia
- 21

Baku, Azerbaijan
- 22

Shanghai, China
- 23

Kaunas, Lithuania
- 24

Torun, Poland
- 25

Vtachikon, Slovakia

Ports and Own Ships:

- 1

Gandia, Spain
- 2

Aarhus, Denmark
- 3

Szczecin, Poland
- 4

Constanta, Romania
- 5

Enns, Austria
- m/v

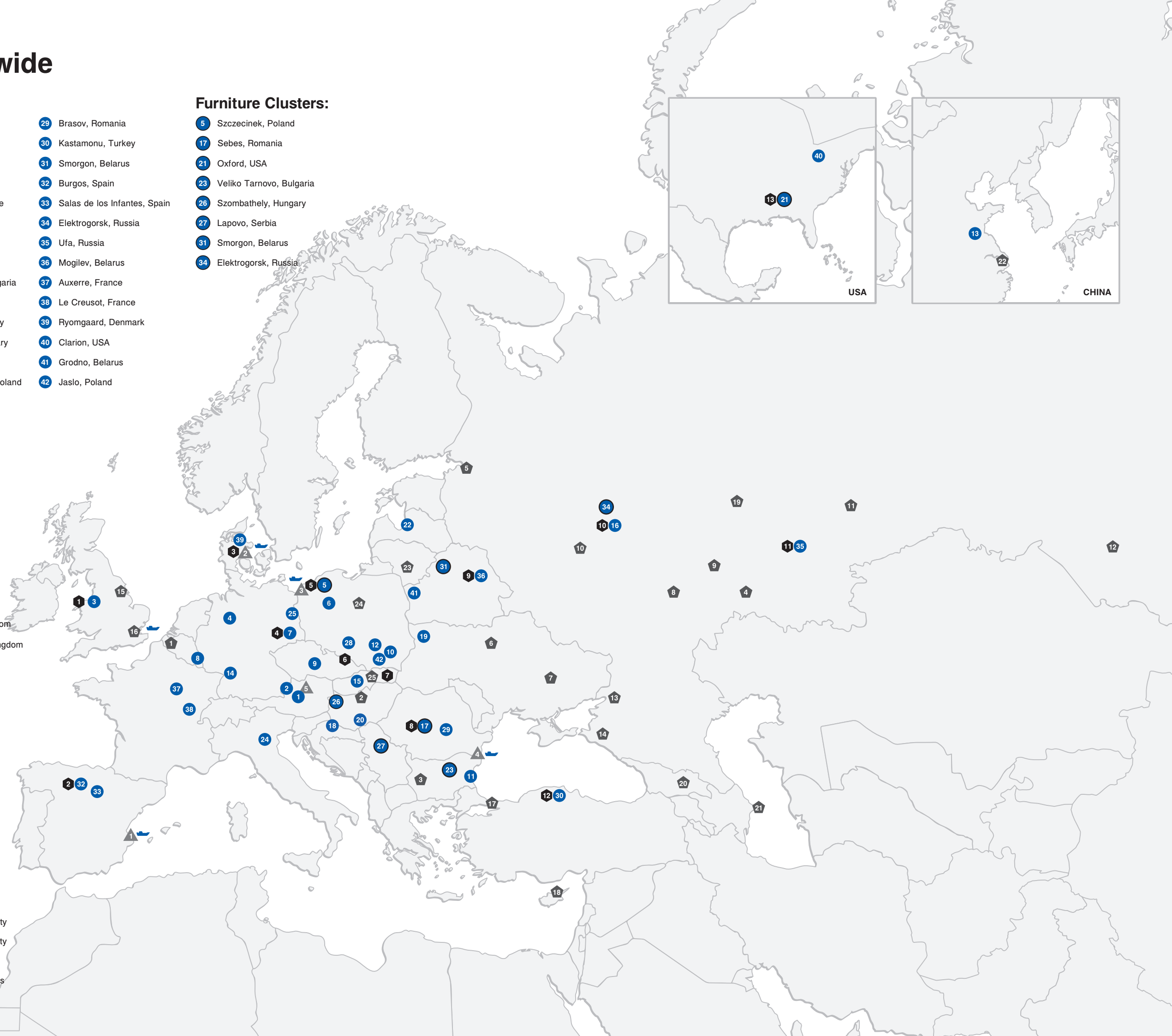
Spanaco Loyalty
- m/v

Spanaco Reliability
- m/v

Spanaco Simplicity
- m/v

Spanaco Fidelity
- m/v

Spanaco Progress



Kronospan

Excellence in Transforming Wood

Over 120 years of manufacturing experience

Our core activity is the manufacture of wood-based panel products (particleboard, MDF and OSB) and related value added products. Vertical integration enables Kronospan to lead the way in both cost and innovation. We have invested in developing a vertically integrated supply chain that allows us to constantly improve upon and perfect every aspect of our products.

Focus on the European Market

Kronospan has more than 40 production facilities and is the world leader in the manufacture of wood-based panels. For the last 20 years our major projects have been undertaken in Eastern Europe and Russia.

Wealth creation in the medium and long term

Being privately owned means that we take a long term view rather than focusing on short term achievements.

Decentralized organization

Kronospan is made up of several manufacturing groups. This allows decision making by local management. As a result we can be close to our customers, our suppliers of goods and services and our people. This provides a strong platform for growth. The structure also allows us to ring fence political and economic risks where appropriate. With this we get more commitment, more ideas which allow individuals and the company to grow.

Customer service

We aim to be the most service-oriented supplier in our sector. Our extensive market coverage and wide product range give us a significant competitive advantage. At Kronospan, we are close to our customers and our locations are a maximum of 400 km or 8 hours by truck from our customers which is a key advantage resulting in reduced transport costs, hence Kronospan can offer the best package.

Advanced technology

We have pioneered many of our industry's key advances and will continue to lead product development and innovation in the future. Our production asset quality is also first class. We are here to lead, not to follow; using for example state-of-the-art filter technology.

Cost leadership

Although our structure is decentralised we benchmark our production sites and with the support of our technical shared service centre ensure that they remain efficient low cost producers.

Local financing

Financing is obtained at a local level and we look for long term banking relationships. Our aim is to keep foreign exchange risks under control and therefore require finance as much as possible locally.

Central support

We use shared services where it is important and only centralise when and where it makes sense.

Environmental responsibility

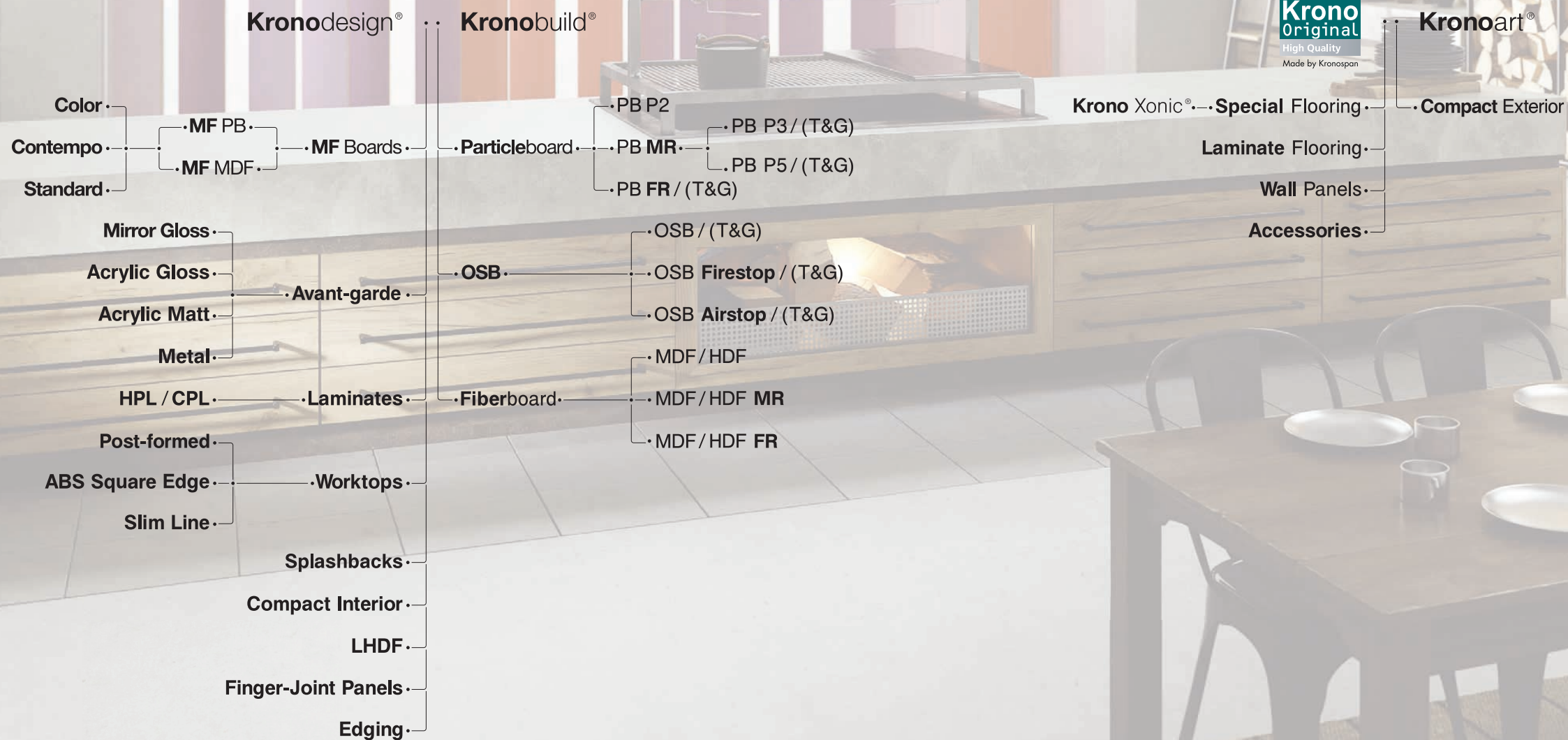
Our aim is to manufacture with the least environmental impact and the maximum raw material yield – no waste.



Inspiration and innovation

Kronospan is the global leader in the production of wood-based boards and panels. Our products are used everywhere: from floors and furniture to frame constructions. With over 100 years of market presence, we have accumulated a wealth of experience in many markets, continuously innovating and investing ever since the inception of our firm. All of this continues to translate into Kronospan's new products, systems and advanced technologies.

Kronospan's global product range, which is divided into Kronodesign, Kronobuild and Krono Original, offers unlimited design opportunities to make high-quality furniture, interiors or buildings.



Accessibility

Located in southeastern USA, Alabama is connected by land, sea, and air to the rest of the nation and the globe.

Thousands of miles of roadway, plentiful airports, outstanding inland waterway access, and proximity to the 9th largest seaport in the U.S. are just a few things that make Alabama’s transportation and logistics network so easily accessible—and an easy choice for so many businesses.

Key facts Alabama

Population and Major Metropolitan Areas

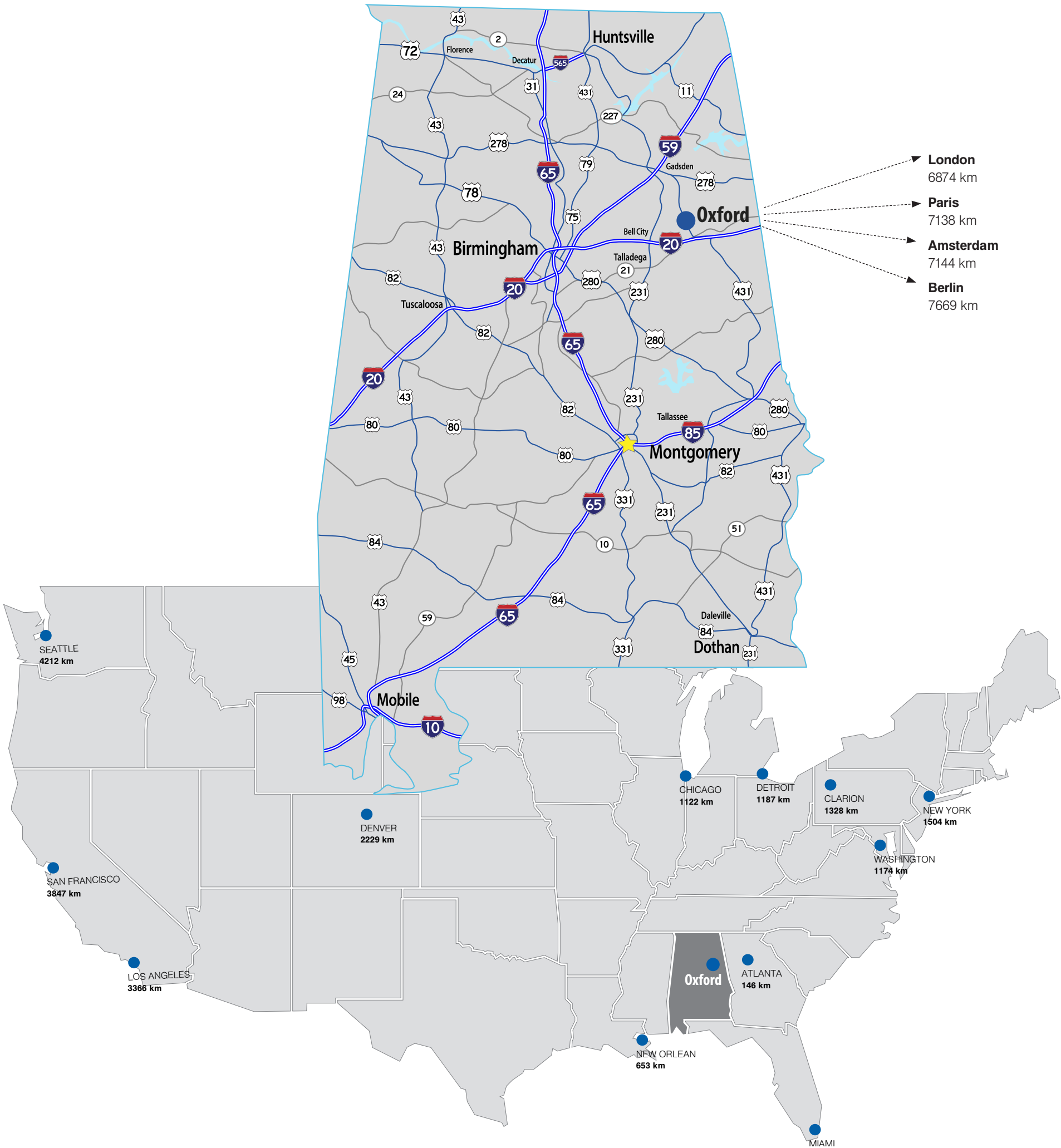
Total population	4 822 023
Birmingham Population	1 136 650
Mobile Population	413 936
Montgomery Population	377 149
Columbus, GA-AL Population	310 531
Anniston-Oxford-Jacksonville Population	117 296

Geography

Total Area	52 423 square miles
Highest point	2 407 feet above sea level
Forest (71%)	35 469 square miles
Water	1 673 square miles
Coastline	53 miles
Navigable waterways	1 300 miles

Accessibility

- 6 interstates, totaling 1,126 miles
- 4 Class I railroads, totaling more than 2,500 miles
- 90 Public Airports
- 88 miles to Atlanta (from Oxford)
- 333 miles to Charlotte (from Oxford)
- 696 miles to Dallas (from Oxford)
- 19 U.S. Highways totaling 3,852.85 miles
- 9th largest deep-water seaport in U.S.—Port of Mobile
- 5 cargo airports



Economic zone

in Alabama

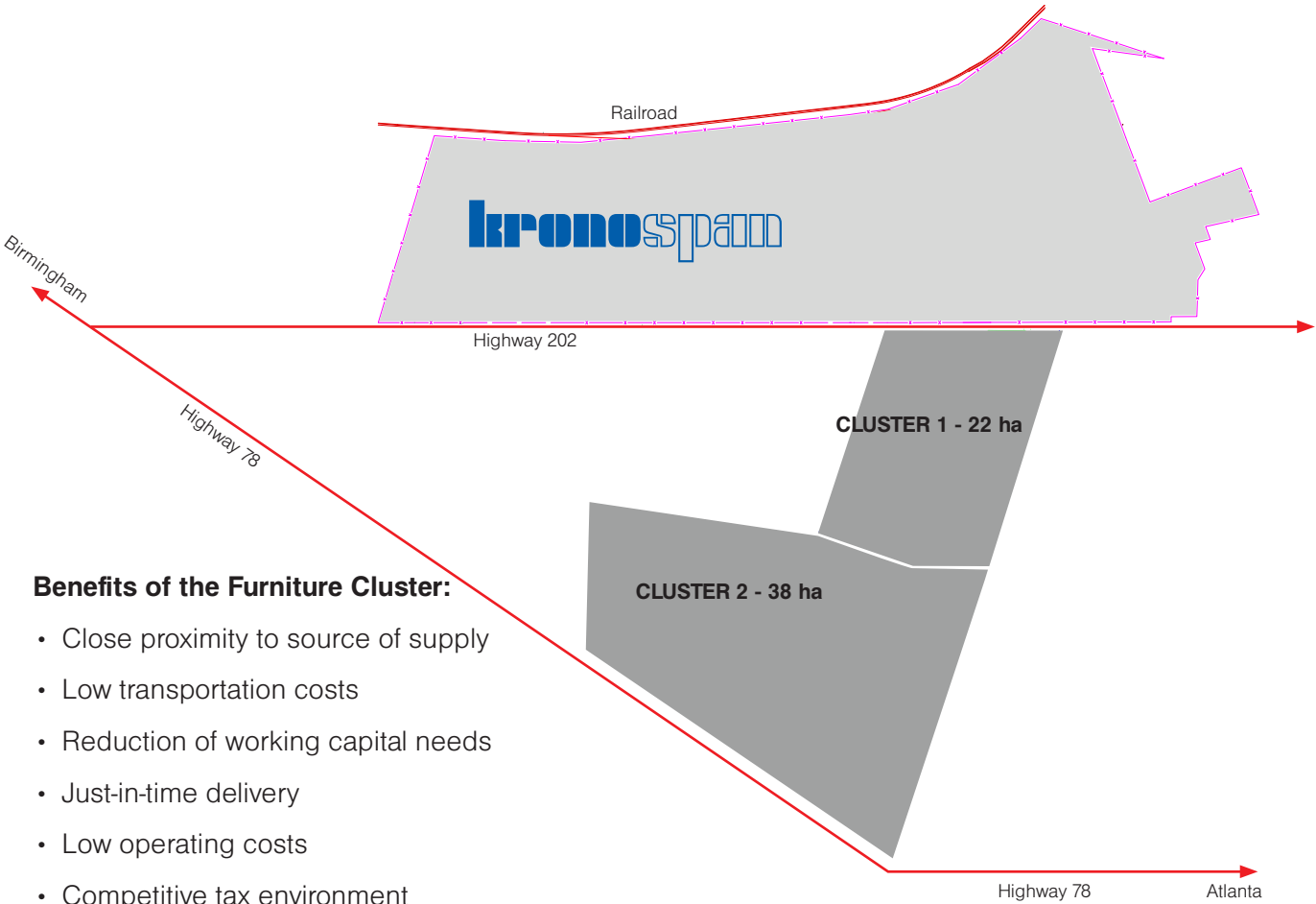
Have you considered how much waste occurs in your manufacturing process? Over-production, unnecessary transportation, waiting times - all these factors burden the growth of your business. Kronospan can help you manage your business more effectively.

The Kronospan Furniture Cluster project aims to create an optimal and sustainable environment for the production of furniture.

We don't just want companies to move here - we want them to thrive here - and we are prepared to support new investors.

Our qualified team is committed to providing premium site locations and optimum incentive packages for the businesses we serve.

Cluster area in m²	Kronospan Alabama is located on 230 acres (=100 Hectares). Kronospan owns an additional 230 acres (=100 Hectares) across the street. However, the second lot is not developed. The main property is flat. Overall, the local authorities are "pro-business".
Infrastructure	Water, sewage, natural gas and electric power are available. Roads are developed.



Benefits of the Furniture Cluster:

- Close proximity to source of supply
- Low transportation costs
- Reduction of working capital needs
- Just-in-time delivery
- Low operating costs
- Competitive tax environment
- Skilled workforce

Kronospan. Helping you make yourself at home.

- We would like to share our location and extend our premises in order to provide our partners with a built-out area ready to install furniture production facilities
- Close proximity between the two manufacturing sites results in near zero transportation costs
- Just-in-time delivery of both raw and melamine-faced fiberboard eliminates excess inventory, reducing the burden on cash flow
- Kronospan will keep your agreed minimum stock levels
- Kronospan will provide you with access to our extensive product portfolio
- You could benefit from technical support in manufacturing processes on site
- Kronospan will provide support with administrative issues

Development

facts and figures

The World's Most Attractive Consumer Market

The United States holds the world's largest economy, with a GDP of over \$17 trillion and a population of more than 320 million people. The U.S. is a thriving consumer market with a stable economic, political, and legal environment, offering a wealth of opportunities for foreign companies and investors.

Foreign Direct Investment

A stable government and business climate have allowed the United States to top the 2015 Foreign Direct Investment Confidence Index. Among countries with more than 10 million people, the United States is consistently ranked among the best in the world for its overall competitiveness, as well as for its overall ease of doing business.

Domestic Investors

The USA is an attractive market not only to foreign investors, but domestic manufacturers as well. Many U.S. manufacturers are reviewing their overseas manufacturing operations, as the cost advantages of sourcing products globally diminishes and many are bringing operations back to the U.S. The advantages include access to skilled labor, proximity to customers and quality of product.

Current potential

of Kronospan in Alabama

320,000 m³ of MDF/HDF

up to **2,000,000 m²** per month of TFL

120,000,000 m² p.a of paper impregnation capacity

550,000 m³ p.a Particleboard capacity

63,000 MT p.a of MUF resin capacity

39,400 100% MT p.a of Formalin capacity

45,000 MT p.a of Melamine Resin capacity

20,000,000 m² p.a of Laminate Flooring capacity

Our Oxford facility manufactures high quality MDF (Medium Density Fiberboard) and HDF (High Density Fiberboard) used in a wide variety of applications, including furniture, laminate flooring, store fixtures, mouldings, doors and other architectural applications.

We have been operating in Calhoun County, Alabama since 2008 and have a comprehensive understanding of the US market. We manufacture in thicknesses from 4.8 mm up to 19 mm (0.189 inch to 3/4 inch), in a wide variety of sizes tailored to many individual customer preferences and needs.

Our facility also produces a moisture-resistant MDF and HDF for limited moisture applications.

We care about sustainability. Kronospan LLC has implemented an FSC product control system in its Alabama facility and is proud to be the holder of the FSC Chain of Custody certification.

Our products are easily machinable and used in a wide variety of laminating, printing and painting applications across many industries.

Kronospan supplies its products to the furniture and construction industry, laminate flooring producers and DIY markets.

Kronospan

in USA

Kronospan facilities in USA

Kronospan began development of its US site in July, 2005 and began producing MDF/HDF in February, 2008. The site was expanded in August, 2015 when the KronoChem plant began producing resins for internal and external use. The US site expanded once again in March, 2017 when production of impregnated paper and laminate flooring began, thus making it the only completely vertical manufacturing site in North America. Kronospan is fortunate to have an abundant supply of timber within a 60 mile radius of the site and operates its own chip production facility nearby. Kronospan is compliant with international timber harvesting standards and all products are CARB-2 certified. An environmentally friendly company, Kronospan utilizes bark and residual wood fiber from its processes to produce the thermo energy used throughout the site. The site operates within local, state, and federal environmental regulations and maintains the most technologically advanced emissions control systems available. Kronospan currently employs 321 people and this number is projected to grow to ~400 by the end of year.



Business environment

Alabama, taking care of business

Smart companies all over the globe have made their way to Alabama. Since Alabama said “Willkommen” to Mercedes-Benz two decades ago, the state has become a top destination for major foreign companies looking for a U.S. home for manufacturing plants and other facilities.

Alabama welcomes companies from all around the globe with business and tax incentives, a peerless workforce, a highly developed transportation network, affordable utilities and an extremely low cost of living. See why companies like Honda, Mercedes, Airbus, Hyundai, ThyssenKrupp and Honda have decided to call Alabama home.

Tax Incentives

The state of Alabama offers competitive taxes and incentives to help businesses grow and develop. In Alabama it's easy for businesses of all kinds to make the most of their hard-earned money.

Income Taxes

- Federal Tax:
 - Corporate Income tax is applied at a flat rate of 21%.
 - Indefinite carry forward of Federal tax losses as from 1st January 2018.
- Alabama State Tax:
 - Alabama State Corporation Income tax is applied at a rate of 6.5%.
 - 15 year carry forward of state tax losses is permissible.

Investment Incentives:

Alabama appraises each investment on its individual merits and incentives are negotiated and agreed on a project by project basis.

The below mentioned incentives can be expected for furniture cluster participants:

- Property Tax Exemption (non-educational portion) – 10 year exemption.
- Sales Tax Exemption (non-educational portion) on tangible property [Machinery]. The exemption is available until the assets are commissioned.
- Jobs Credit – Annual cash rebate up to a maximum of 3% of the prior year's payroll for newly hired employees for up to 10 years provided at least 50 new jobs are created locally in Alabama.
- Investment Tax Credit –1.0% of qualified capital investment expenses for up to a maximum of 10 years provided at least 50 new jobs are created in Alabama. Credit can be taken against Alabama state income tax or Utility taxes.

Additional Non-Tax Incentives

One-Stop Environmental Permitting

The Alabama Department of Environmental Management (ADEM) has authority to issue the permits required by all the major federal environmental laws. The Permit Coordination and Development Center (PCDC) facilitates the permitting process by coordinating communications, conferences and other administrative functions between an applicant and ADEM.

Contact: ADEM
Permit & Services Division
(334) 271 7714
permitsmail@adem.state.al.us
<http://adem.alabama.gov/moreInfo/permittingInfo.cnt>

Workforce

Alabama is home to many resources, which makes it ideal for a growing business. One of its greatest resources is the highly skilled workforce combined with outstanding government support programs.

AIDT (Alabama Industrial Development Training)

One of the top five workforce training agencies in the U.S., AIDT is an innovative training program providing value-added services and solutions for Alabama's new and expanding businesses. Many companies benefit from cooperative, on-site workforce training programs developed by AIDT.

AIDT's services include:

- Pre-Employment (Training Development, Videography, Media and Project Support)
- Post-Employment/On-the-Job Training Support
- Maintenance Assessments
- Safety Assistance and Training
- Leadership Development
- Process Improvement (Continuous Improvement)

Alabama Community College System

With almost 30 community and technical colleges around the state, the Alabama Community College System is an integral part of developing Alabama's peerless workforce.

Four-Year College System

In addition to their focus on higher education and professional preparation, our four year colleges also play a big role in workforce development in Alabama; specifically with advanced degrees in Engineering, Agriculture, and Healthcare.

Alabama Technology Network (ATN)

The Alabama Technology Network is a part of the Alabama Community College System and the Manufacturing Extension Partnership. ATN's team of experts helps solve the needs of industry and business through innovative, sustainable, cost-effective solutions. They can conduct detailed needs assessments, outline potential solutions, and provide technical assistance to help you solve those problems or identify those who can.



kronospan-express.com

