



**FURNITURE
Cluster**



Shaping the future of furniture production

We at Kronospan believe that success of our clients is key to our progress. That is why we created furniture clusters - to support that success and enter into the future of furniture production together.

Kronospan Furniture Cluster is much more than simple industrial cooperation - it is a project where our extensive experience, knowledge and industrial capacities are being shared with our business partners and clients.

We believe our 120 years of leadership in wood-based panels production opens new horizons and can bring future success to everyone involved in this unique project.

Kronospan Furniture Cluster allows maximum optimization of furniture or associated components production. That ensures the development of cost and time-effective business activities based on the huge potential of our global network of production sites and logistic capabilities.

Kronospan Furniture Cluster Project is ready to welcome ambitious furniture or associated components companies that are willing to invest adjacent to one of our most competitive production sites.



Furniture Cluster – the answer to today’s challenges

Production companies of today are facing ever growing demands for cost, speed, quality and service but at the same time price is always of great importance. Customer tastes are driving markets and industries towards the limits of optimized and cost effective manufacturing. Furniture producers all over the world are struggling to find the perfect balance between delivering great quality, supply enough quantity and keep prices attractive at the same time. Kronospan Furniture Cluster is the answer. It allows furniture makers to dramatically reduce their transport and logistic costs - a major factor in pricing today.



Creating and securing a long term competitive advantage

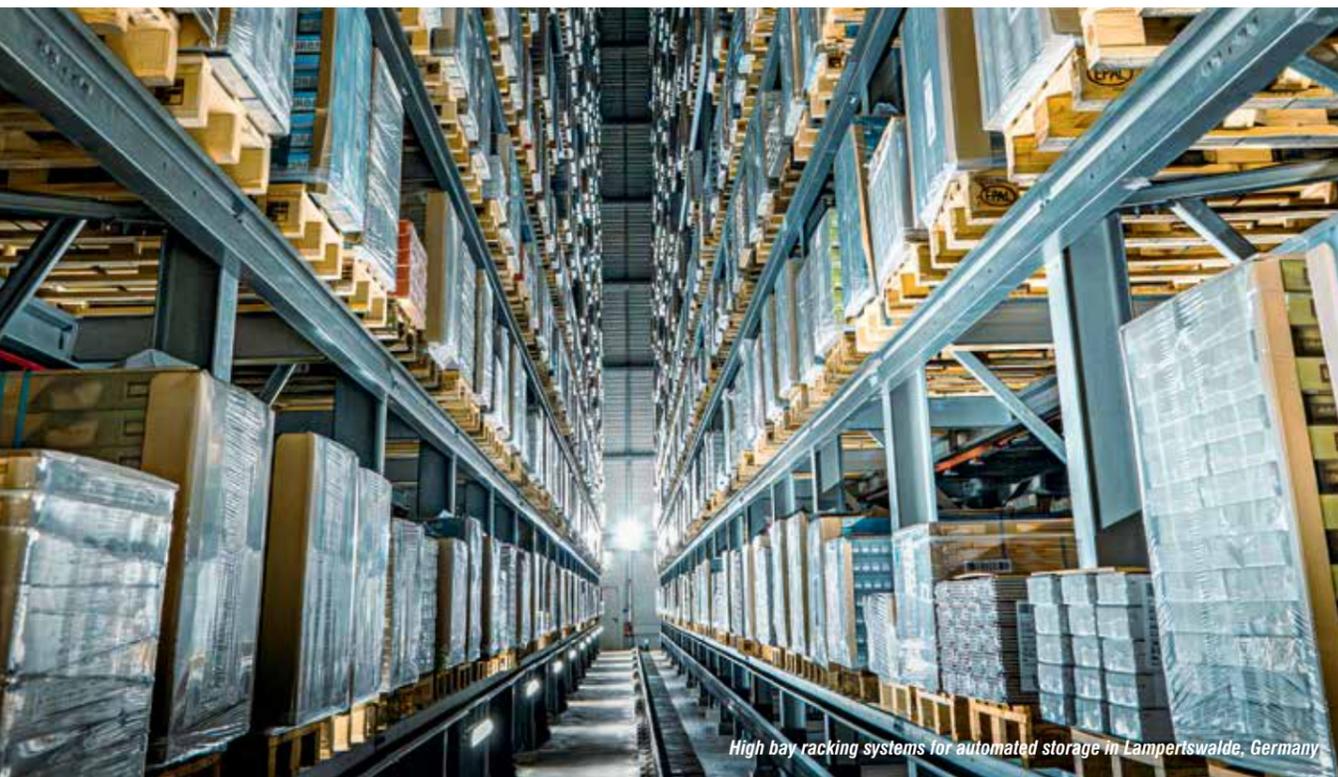
Producing in close proximity to the world's largest wood-based panel manufacturer gives easy access to all the requirements for adequately tackling the highly demanding and price-oriented markets of today.

Kronospan Furniture Cluster ensures fast delivery of the full range of our wood-based panels at competitive prices, on time and supplied in sufficient quantities.

Establishing a business in one of our furniture clusters allows companies to benefit not only from sourcing high

quality material for their needs, but also through the existing industrial infrastructure and pre-investment support provided by our qualified personnel. Kronospan offers access to its ever growing logistics network and additional support including expertise and knowledge exchange.

Increasing efficiency in many industrial and business areas allows every furniture and associated components producer to become more competitive, and therefore more successful across all international markets.



High bay racking systems for automated storage in Lampertswalde, Germany



We are here to help you – it's part of the service

Kronospan Furniture Cluster provides companies willing to join the project different options according to their preference and needs. We are renting fully prepared industrial buildings ready to host machinery and production lines. We are also able to build and lease facilities specially designed and created according to a customer's specific needs. Because all required industrial infrastructure is already in place, connecting new buildings is quick and easy.

We provide access, financing for fixed assets, infrastructure and people.



Benefits are on hand

Companies in Kronospan Furniture Cluster benefit from several advantages:

- **Time-to-market:**
 - at least 6 months faster start up
 - building permit
 - infrastructure
 - ready to move in
- **Lower logistic costs:**
 - optimized material flow (just-in-time delivery, no/limited inventory)
 - easy to transport large size boards
 - reducing material losses using large size boards
 - saving time
- **Saving on investment:**
 - using access to already existing infrastructure and buildings
- **Locations fully equipped for industrial production:**
 - competitive electricity costs
 - competitive gas costs
 - competitive heating costs
 - waste water treatment facilities
- **Administration support and services:**
 - fund raising
 - management support
 - marketing services support
 - legal support
 - HR & staff support
 - accommodation
- **Engineering and technical support by our specialists**
- **Full range of products**
- **Lower environmental impact:**
 - ease of recycling activities
 - recycling of trimming and cutting losses



Research center in Szczecinek, Poland



Exploit the full potential

- | | | | | | |
|--|-------------------------------|--|--------------------------------|--|--|
| | SAVING ON INVESTMENT | | DIRECT DELIVERIES | | ADMINISTRATION SUPPORT & SERVICES |
| | COMPETITIVE ELECTRICITY COSTS | | COMPETITIVE GAS COSTS | | COMPETITIVE HEATING COSTS |
| | LOWER ENVIRONMENTAL IMPACT | | LESS CO ₂ EMISSIONS | | RECYCLING OF TRIMMING & CUTTING LOSSES |
| | FULL RANGE OF PRODUCTS | | INCREASED EFFICIENCY | | |

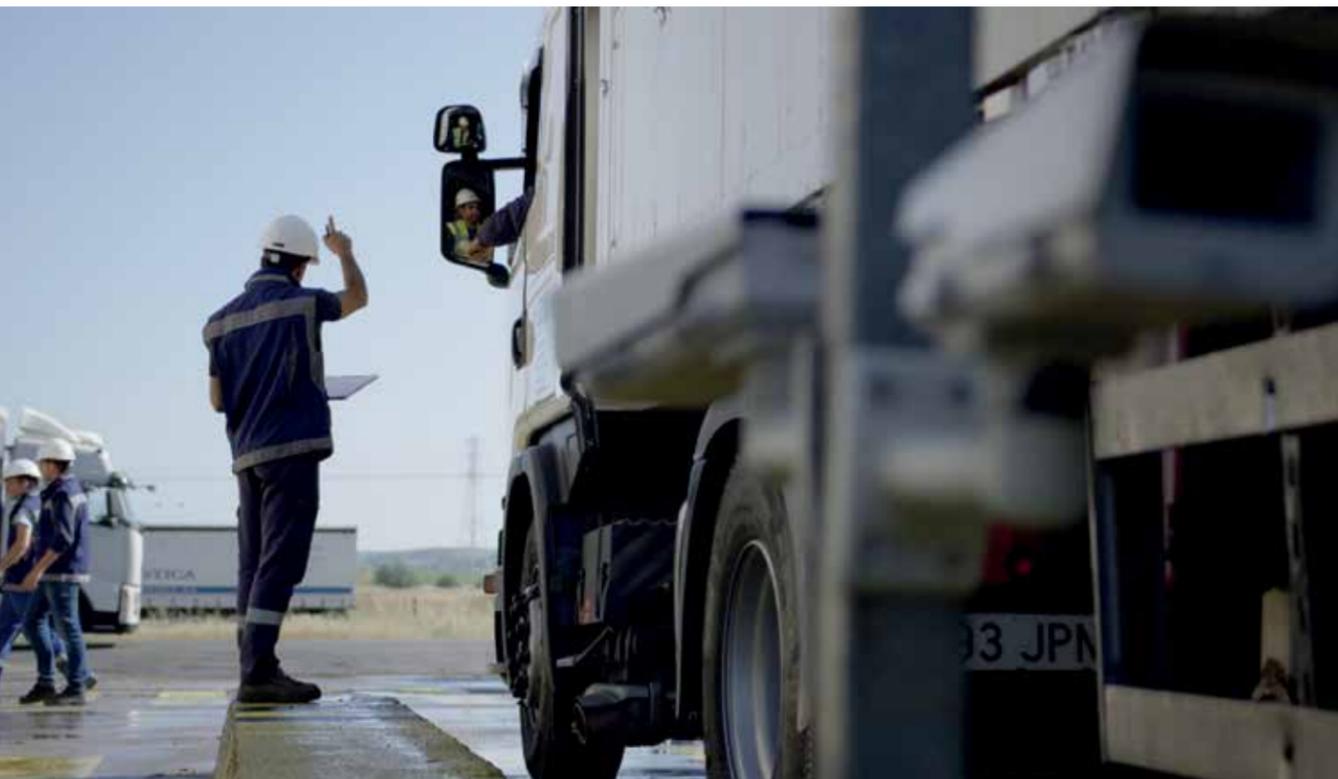


Direct access to major markets

Kronospan Furniture Cluster locations provide key advantages for the future. They have been carefully selected to provide investment flexibility, major markets connectivity and low cost requirements.

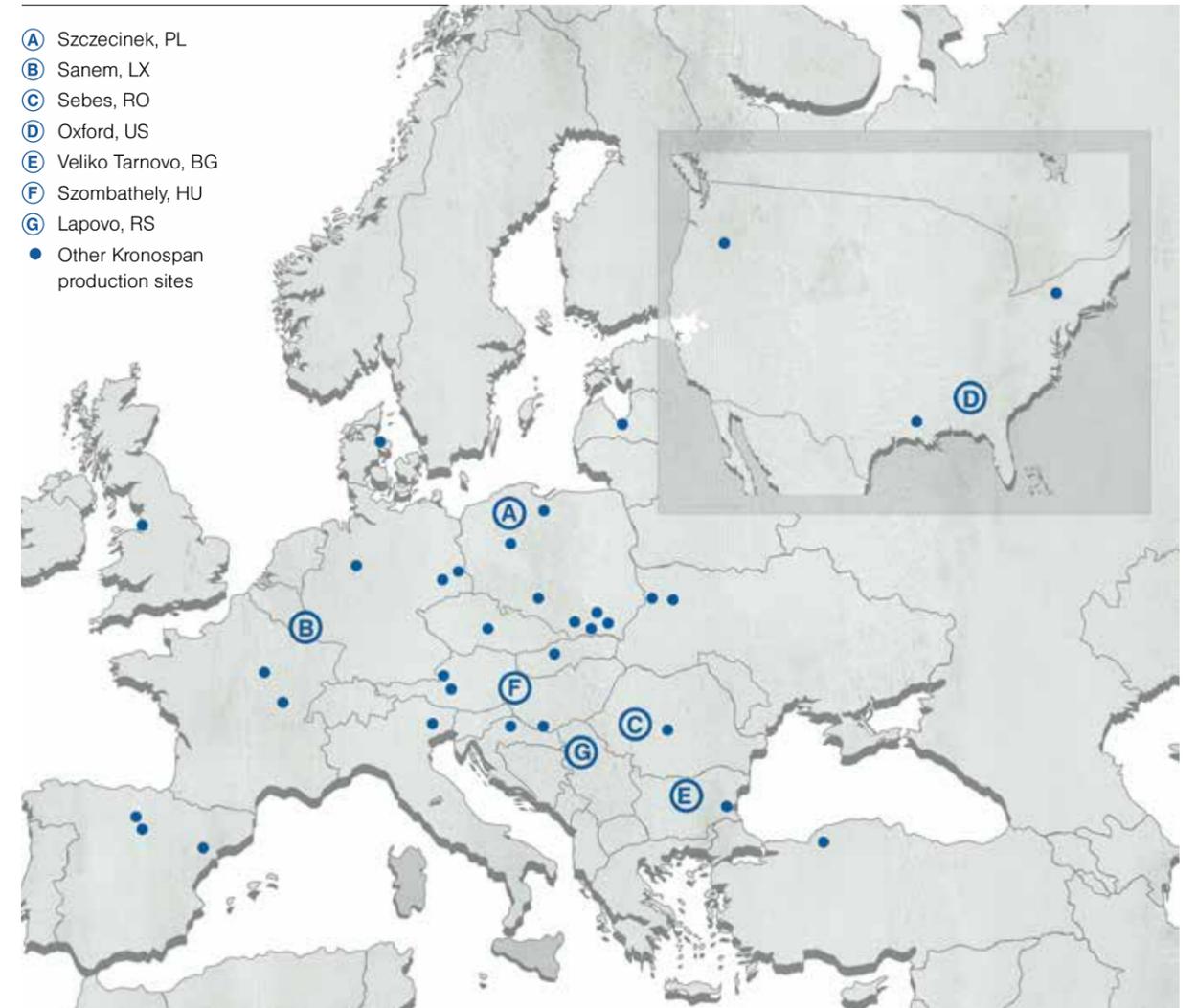
Furniture production companies can easily access the vast markets of EU, and USA. Countries chosen to host our clusters provide special investor programmes, attractive tax regulations and competitive labour cost. Available transport infrastructure allows easy access even to remote locations.

By establishing production activities in one of our furniture cluster locations, companies also receive access to the logistic network of Kronospan. It is a comprehensive system of truck, train and sea transport connections. We are transferring finished products and raw materials not only between our numerous production sites and logistic centers but all across the world.



Production sites with furniture cluster

- Ⓐ Szczecinek, PL
- Ⓑ Sanem, LX
- Ⓒ Sebes, RO
- Ⓓ Oxford, US
- Ⓔ Veliko Tarnovo, BG
- Ⓕ Szombathely, HU
- Ⓖ Lapovo, RS
- Other Kronospan production sites



Our own transport assets



> **600**
TRUCKS



> **1000**
CONTAINERS



6
VESSELS



> **1 100**
RAILWAY WAGONS



5
LOGISTIC TERMINALS



6
PORTS



Kronospan Szczecinek, Poland

Currency: Polish Złoty (PLN)

Operational since 1989

Produces:

PB, MF Boards, MDF, HDF, Lacquered HDF, Impregnated Paper, Chemicals

Site: 368 acres / 149 ha

Total capacity: 1,880,000 m³/a



Existing facility to rent
45 000 m²



Available land to build
35.5 ha



Local advantages

- CIT 19%
- competitive labour costs, 50-75% savings on payroll compared to Sweden or Germany, offering the furniture industry 10% higher profit in relation to sales
- operation in Special Economic Zone with a 35%-55% tax exemption for a new investment over a 12 year period
- technical university preparing qualified personnel for cluster on site
- R&D Center can give a necessary support in certification processes for any sales measurements
- Kronospan Design Center – a modern premise and an ideal setting for presenting your products to clients
- In our Cluster you can organize active workshops for clients, suppliers and Cluster partners
- The large scale and scope of Silva Logistics (part of Kronospan) enabling efficient deliveries to export markets



Kronospan Szombathely, Hungary

Currency: Hungarian Forint (HUF)

Operational since 2007

Produces:

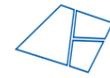
PB, MF Boards, Mirror Gloss and Mirror Matt Boards, Cement Bonded Boards and Impregnated paper

Site: 102 acres / 41 ha

Total capacity: 600,000 m³/a



Existing facility to rent
16 620 m²



Available land to build
32.345 ha



Local advantages

- CIT 9% (lowest in EU)
- competitive labour costs (approx. 40% of EU average)
- located at the crossroads of four main pan-European corridors; easy access to both the Western and Eastern European markets
- developed transportation systems, extensive motorway and rail network
- 3 harbours within easy reach (Koper, Rijeka, Trieste)
- easy access to major airports (Graz, Vienna, Bratislava, Zagreb, Budapest)
- strong education system, one technical university (with engineering, wood sciences and applied arts faculty) as cluster member, one technical university within the same city, educational center of local technical high schools as cluster member
- located in an area with highly developed infrastructure
- good working culture, efficient and flexible workforce



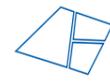


Kronospan Lapovo, Serbia

Currency: Serbian Dinar (RSD)

Operational since 2009
Produces:
PB, MF Boards

Site: 153 acres / 62 ha
Total capacity: 350,000 m³/a

 Available land to build
13.3 ha



Local advantages

- CIT 15%
- attractive state incentives for investment projects
- competitive tax environment
- free trade agreements / customs free access to EU, Russia and Belarus
- attractive geostrategic location on crossroads between East and West / North and South
- competitive labour costs (approx. 30% of EU average)
- young and educated workforce



Kronospan Sebes, Romania

Currency: Romanian Leu (RON)

Operational since 2004
Produces:
PB, MF Boards,
MDF, Chemicals

Site: 168 acres / 68 ha
Total capacity: 1,450,000 m³/a

 Available land to build
10 ha



Local advantages

- CIT 16%
- located in Sebes, central Romania, a town with a dynamic economy
- access to modern infrastructure, Highway A1-A10 Bucharest-Sibiu-Nadlac, which further connects to Hungary's M43 motorway
- close to Sibiu International Airport (60 km)
- access to the Pan-European IV rail corridor
- local tradition in wood processing industry
- highly skilled workforce
- located near to Cluj-Napoca, important academic, cultural, industrial and business center in Romania
- access to funds provided by EU and Romanian legislation
- own container terminal in the port of Constanta





Kronospan Veliko Tarnovo, Bulgaria

Currency: Bulgarian Leva (BGN)

Operational since 2007

Produces:

PB, MF Boards,
MDF

Site: 73 acres / 30 ha

Total capacity: 1,080,000 m³/a



Existing facility
to rent
86 000 m²



Available land
to build
20 ha



Local advantages

- CIT 10%
- competitive labour cost (approx. 30% of EU average)
- 2 year VAT exemption for imports of equipment for investment projects over €5 million, and at least 50 new jobs
- cost of electricity for industrial users is 70% of the European average
- currency stability is supported by the currency board
- technical university preparing qualified personnel for cluster on site
- strategic location - located at the heart of the Balkans
- direct access to key markets: EU, CIS, Turkey, Middle East, North Africa



Kronospan Oxford, USA

Currency: US Dollar (USD)

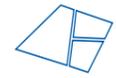
Operational since 2005

Produces:

PB, MF Boards, MDF, HDF,
Laminate Flooring, Impregnated Paper, Chemicals

Site: 460 acres / 186 ha

Total capacity: 910,000 m³/a



Available land
to build
100 ha



Local advantages

- Competitive Federal and State Income Tax rates
- Oxford is located in Alabama - the Southeast of the United States. The site is situated in prime location with direct access to rail. Favorable port locations are Port of Mobile (260 miles) and Port of Savannah (345 miles)
- Distance to the Atlanta International Airport is 100 miles and can be reached via interstate, Distance to the Birmingham International Airport is within 45 miles and also connected via interstate
- State of Alabama is very supportive for in state investments and provides various incentives
 - Jobs Credit - annual cash rebate up to a maximum 3% of the prior year's payroll for newly hired employees for up to 10 years provided at least 50 new jobs
 - Investment Tax Credit - 1% of qualified capital investment expenses for up to a maximum of 10 years provided at least 50 new jobs
- almost 30 community and technical colleges around the state





Kronospan Sanem, Luxembourg

Currency: Euro (EUR)

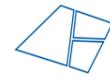
Operational since 1994

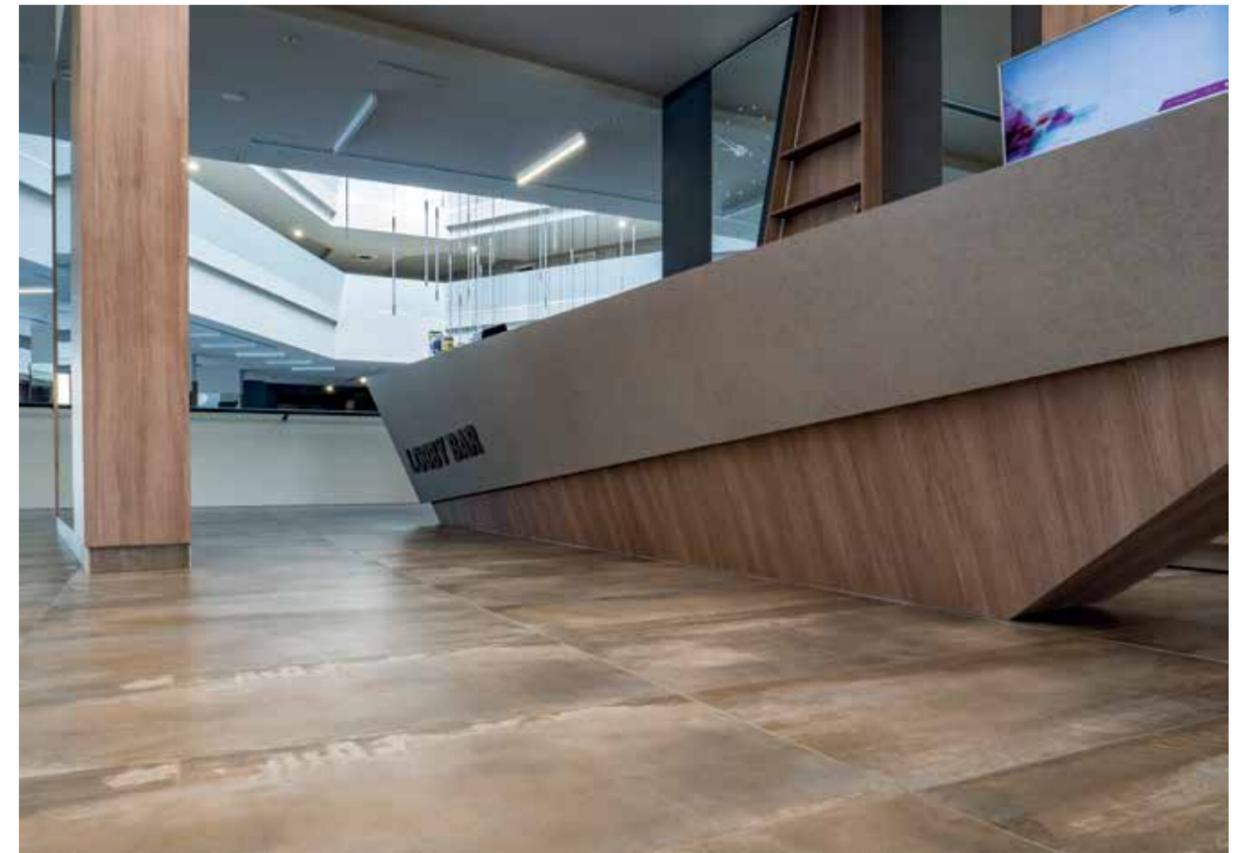
Produces:

PB, MF Boards, MDF, HDF,
OSB, Laminate Flooring

Site: 138 acres / 56 ha

Total capacity: 2,200,000 m³/a

 Available land
to build
24 ha



Local advantages

- Both France and Germany are considered home markets for a producer based in LX
- All languages are spoken by a large part of the population and workforce (French, English, German, Luxembourgish)
- Workers from Germany, France and Belgium prefer to work in Luxembourg as they pay less tax and have a better pension and social system in Luxembourg
- The majority of the population in Luxembourg are foreigners
- Luxembourg has a manufacturing and industry tradition and the government supports the development of manufacturing and industrial activities actively
- Industrial land is available from the Ministry of Economy on a long term lease basis under very favorable conditions
- The cluster is ideally located for business which would like to access the French and German market as well as the Benelux market.





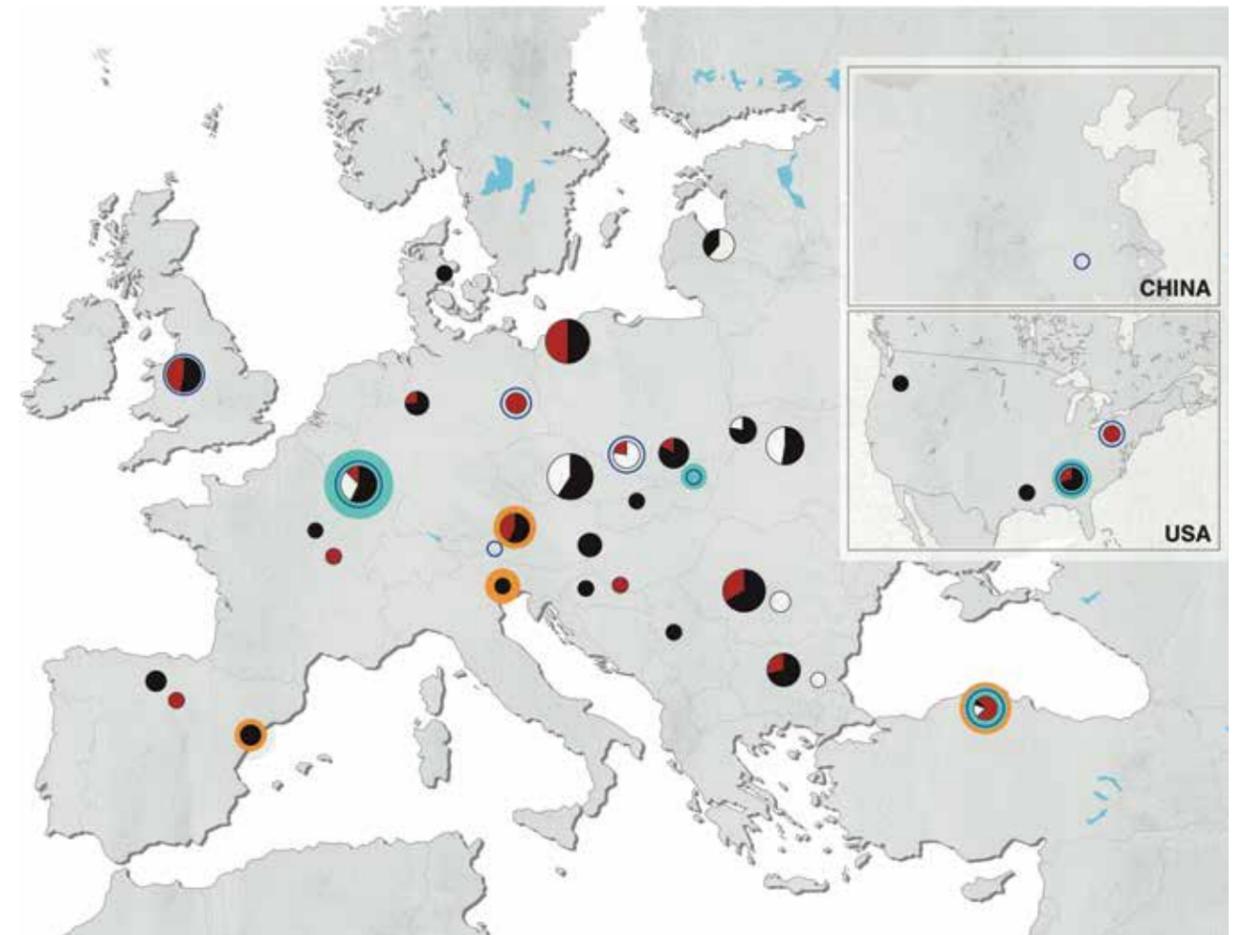
Side by side
with a global leader –
a win-win partnership

Kronospan is globally the leading manufacturer of:

- Particleboard (PB)
- Medium density fibreboard (MDF)
- Laminate flooring
- UF, MUF and MF resins for wood-based panels
- The number one manufacturer of oriented strand board (OSB) in Europe

Kronospan also produces speciality and decorative paper as well as other associated value added products, such as melamine-faced panels, worktops, wall panels, window sills, lacquered HDF, compact boards, high pressure laminates (HPL) and others.

Kronospan manufactures wood-based panels at more than 39 sites and is local in many countries. We employ over 14,000 committed people.



Capacities to meet future customer demand

Wood-based panel mills

Total capacity 1000 m³

- 2000 m³
- 1000 m³
- 500 m³

- PB
- MDF
- OSB
- Flooring

- Under Construction
- Planned Investment

**We look forward to welcoming you to one of our Kronospan Furniture Clusters,
and offering you all the support needed to enable your business to succeed.**



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Our reliable partners:

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