

PRESS RELEASE

HOMANN HOLZWERKSTOFFE GmbH

- **Corporate credit rating BB-**
- **Ongoing strengthening of profitability**

Munich/Herzberg am Harz, 17 March 2014 – HOMANN HOLZWERKSTOFFE GmbH, a leading European provider of thin, refined fibreboard panels for the furniture, door, coating and automotive industry, today received a corporate credit rating of BB- by Creditreform Rating AG.

Management at the company is uncomprehending of Creditreform's rating drop from BB+ to BB-. The reasoning, as stated by Creditreform, primarily relates to the volatile raw materials markets, particularly for wood and wood sourcing costs. So as to become less dependent on fluctuations in raw material prices, not only is the company establishing a new HDF panel plant in Krosno, Poland – not least because of Poland's more stable wood prices – it is also pushing ahead with comprehensive plans to expand and upgrade its finishing capabilities and thus create additional value.

“We do not understand the rating from Creditreform, which mainly reflects our company's situation over the past few months. Since the beginning of this year there has been a clear and noticeable trend shift in all of our raw material markets. Our current plans, which formed the basis for the Creditreform rating, refer to conservatively high wood prices from 2013, though there have been clear signals from the market that these prices will drop starting in the second quarter of 2014”, says Fritz Homann, Managing Director of HOMANN HOLZWERKSTOFFE GmbH.

“Furthermore, we are running at 100% utilisation of our existing capacities, and consequently the management board expects the company to be in a much better position in 2014 than the previous year, in terms of both revenue and income”.

Both locations in Poland saw consistent expansion of the manufacturing centres fuelled by major investments. The previously announced gradual cuts have begun at the labour-intensive post processing plant in Losheim, Germany. By implementing these measures and systematically leveraging resources along the entire value chain, the company is able to further improve its profitability for the future.

See also: www.homann-holzwerkstoffe.de

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