

PRESS RELEASE

Danzer Group: Subsidiary IFO in the Republic of Congo obtains FSC certificate

- 1.16 million hectares (2.9-million acres) of certified forest area
- Legality of all SIFORCO concessions confirmed

Baar (Switzerland), March 2009 – Danzer Group’s subsidiary Industrie Forestière d’Ouessou (IFO) in the Republic of Congo has achieved Forest Stewardship Council (FSC) certification for its forestry concession. Danzer Group can now supply logs, lumber and veneers from major African species with an FSC forest management certificate.

The FSC certificate guarantees that IFO’s forest concession — covering an area of nearly 1.16 million hectares (2.9-million acres) — is managed according to the FSC forest management standard that includes social, economic and ecological requirements. To date, the IFO forest concession is the largest in Africa which has been awarded full FSC certification. Lumber and logs from IFO are sold by Danzer Group subsidiaries Interholco and Danzer U.K., while veneers are available through Danzer Europe Veneer (DEV). IFO’s FSC certification has been realized in close cooperation with WWF (World Wide Fund for Nature), in particular by its GFTN programme (Global Forest and Trade Network).

“This is a major milestone in our efforts to progressively increase our production and trade of FSC-certified products,” says Olof von Gagern Danzer Group CEO for Africa and Veneer Europe. “It complements the achievements of our PROCUREMENT RULES for AFRICAN TIMBER, which sets legal origin as a minimum requirement. It also boosts our motivation to increase our efforts towards the certification of our concessions in the Democratic Republic of Congo, managed by our company, SIFORCO.”

More and more customers are recognizing that FSC certification is an important contribution to protecting the forests in the Congo basin.

Danzer Group companies carry FSC Chain of Custody certificates that guarantee to their customers that timber products with the FSC logo can be traced back and originate from a FSC-certified forest.

FSC certification for IFO was approved by the independent certification company, Société Général de Surveillance (SGS), after an extensive audit. The FSC certificate is valid for five years and is verified annually. The entire audit process was overseen by FSC's Accreditation Service International (ASI), with the WWF and the Association Technique Internationale de Bois Tropicaux (ATIBT) participating as neutral observers.

The audit considered social, ecological and economic aspects of responsible forestry. SGS examined, for example, adherence to local forestry and environmental legislation, observation of the rights and needs of the local population, the sustainability of all forestry operations and implementation of Reduced-Impact Logging (RIL) techniques.

As an important result of its forest management plan IFO has implemented measures to prevent impacts on High Conservation Value Forests. Areas with sensitive ecosystems as well as certain regions that are specific habitats for endangered animal species such as elephants, leopards, buffalo, chimpanzees and gorillas are protected and no timber may be logged in these protected zones."

Democratic Republic of Congo confirms legality of SIFORCO concessions.

Danzer Group subsidiary SIFORCO in the Democratic Republic of Congo has passed the legality review of its forest concessions. All nine SIFORCO concessions fulfilled a government-appointed commission's legality verification criteria.

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At the same time, Ernst & Young commissioned by Danzer Group with an independent review has confirmed that SIFORCO in the past has operated in conformity with the local laws concerning export prices and the taxation of salaries. Furthermore, Ernst & Young confirmed in its statement that the company has not gained from tax incentives on investments, which were not realized.

The next stage in the process is for SIFORCO to draw up comprehensive forest management plans for its concessions covering an area of 1.9 million hectares (4.7 million acres). These represent an important prerequisite in Danzer Group's efforts to achieve full certification of the SIFORCO concessions in compliance with the FSC standard. As with the FSC certification for IFO's forest concessions, Danzer Group and WWF will work together to achieve this result.

About Danzer Group

Danzer Group operates six veneer factories and five sawmills in Europe, North America and Africa. The Group is the world's largest manufacturer of hardwood veneers. These facilities primarily process local timber at source to produce high-quality veneers and lumber. A total of 30 sales outlets worldwide take care of customer needs. Danzer Group employs a workforce of some 4,700 staff and posted a turnover of approximately 410 million euros in 2007.

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