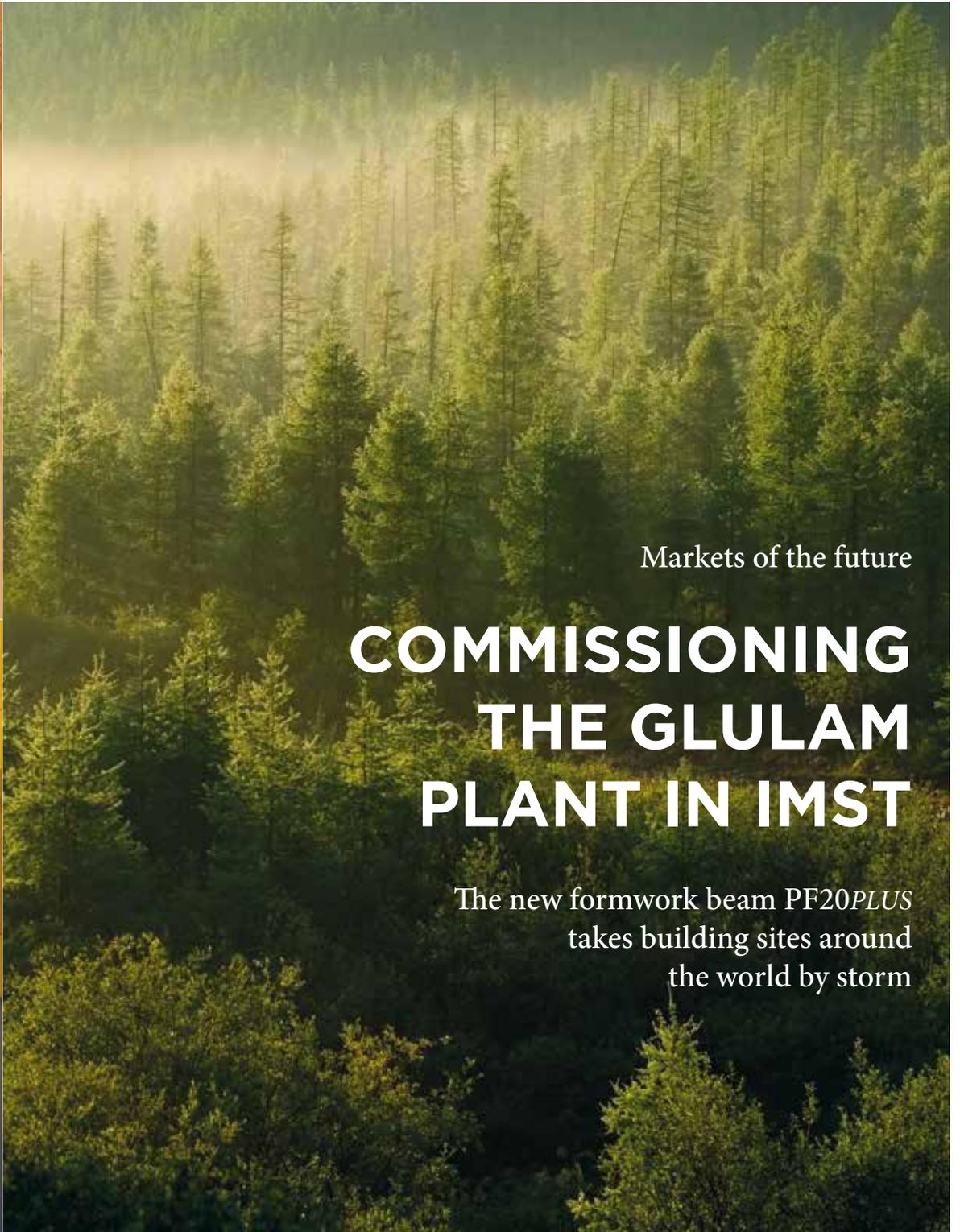
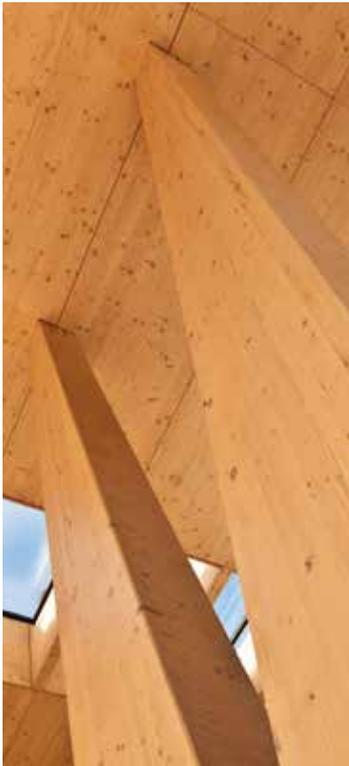


timber 2

PFEIFER GROUP CORPORATE MAGAZINE

 **PFEIFER**

Edition 2
March 2013 | PFEIFER GROUP



Markets of the future

COMMISSIONING THE GLULAM PLANT IN IMST

The new formwork beam PF20PLUS
takes building sites around
the world by storm

**A place of strength:
Mount Muttekopf towers over Imst/A**



WOOD IS THE FUTURE

EDITORIAL



**The board of directors of Pfeifer Holding GmbH:
Clemens Pfeifer, Ewald Franzoi and Michael Pfeifer**

The European timber industry is currently in an economic situation that is characterized more by a feeling of sobriety than euphoria. Above-average growth impulses are not to be expected in view of the difficult situation in Europe, at least not

in the short term. Pfeifer has an optimistic outlook nonetheless. And that for good reason:

We are, after all, well-positioned. Pfeifer has done its homework and created clear and efficient structures.

We look after our resources. Taking care of our means and resources has always been the credo at Pfeifer. Not just since the start of the so-called crisis.

We invest in quality and innovation. We will keep our sights set firmly on the future, even though basic conditions may be difficult. The redevelopment of our laminate timber plant in Imst and the pellet production and drying chambers in Lauterbach are evidence of our future-oriented mind-set.

Dear Readers,

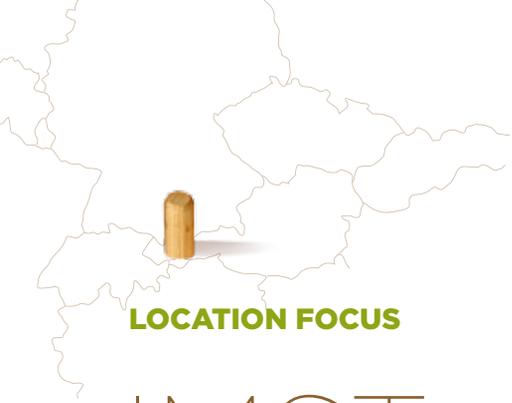
We bank on motivated personnel. to take on responsibility; we offer them prospects and try to convey a sense of certainty. The result is that we all pull on the same rope – and in the same direction!

We know our customers. We are in touch with the markets and react swiftly to its demands. Many of our customer relationships have developed over the years, not least because of the reliability and quality of the products and services Pfeifer has to offer.

We work at the heart of Europe. Pfeifer has sites at the heart of an economic area that includes some of the world's wealthiest countries. Our sites continue to offer strategically significant advantages.

Wood has a future. Wood construction and biofuels are booming. Our entire business segment benefits from the basic demand for this fascinating material. Developments in large and promising markets such as China and India have given the trend a completely new impetus.

Pfeifer is well-equipped for the competition of coming years. As far as we are concerned, we are in the middle of a long-distance race. It will be an exciting race and one for which we are prepared.



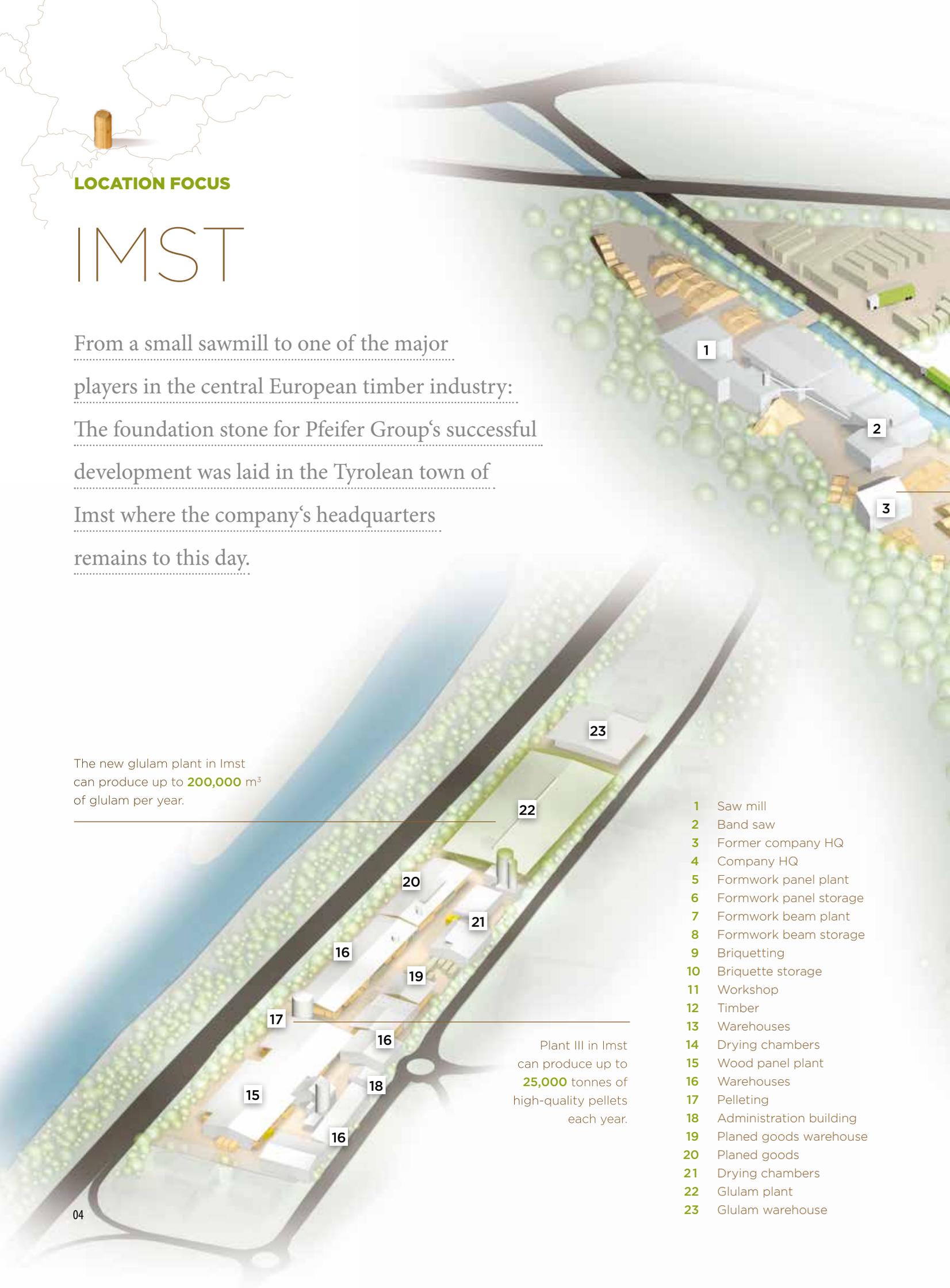
LOCATION FOCUS

IMST

From a small sawmill to one of the major players in the central European timber industry: The foundation stone for Pfeifer Group's successful development was laid in the Tyrolean town of Imst where the company's headquarters remains to this day.

The new glulam plant in Imst can produce up to **200,000** m³ of glulam per year.

Plant III in Imst can produce up to **25,000** tonnes of high-quality pellets each year.

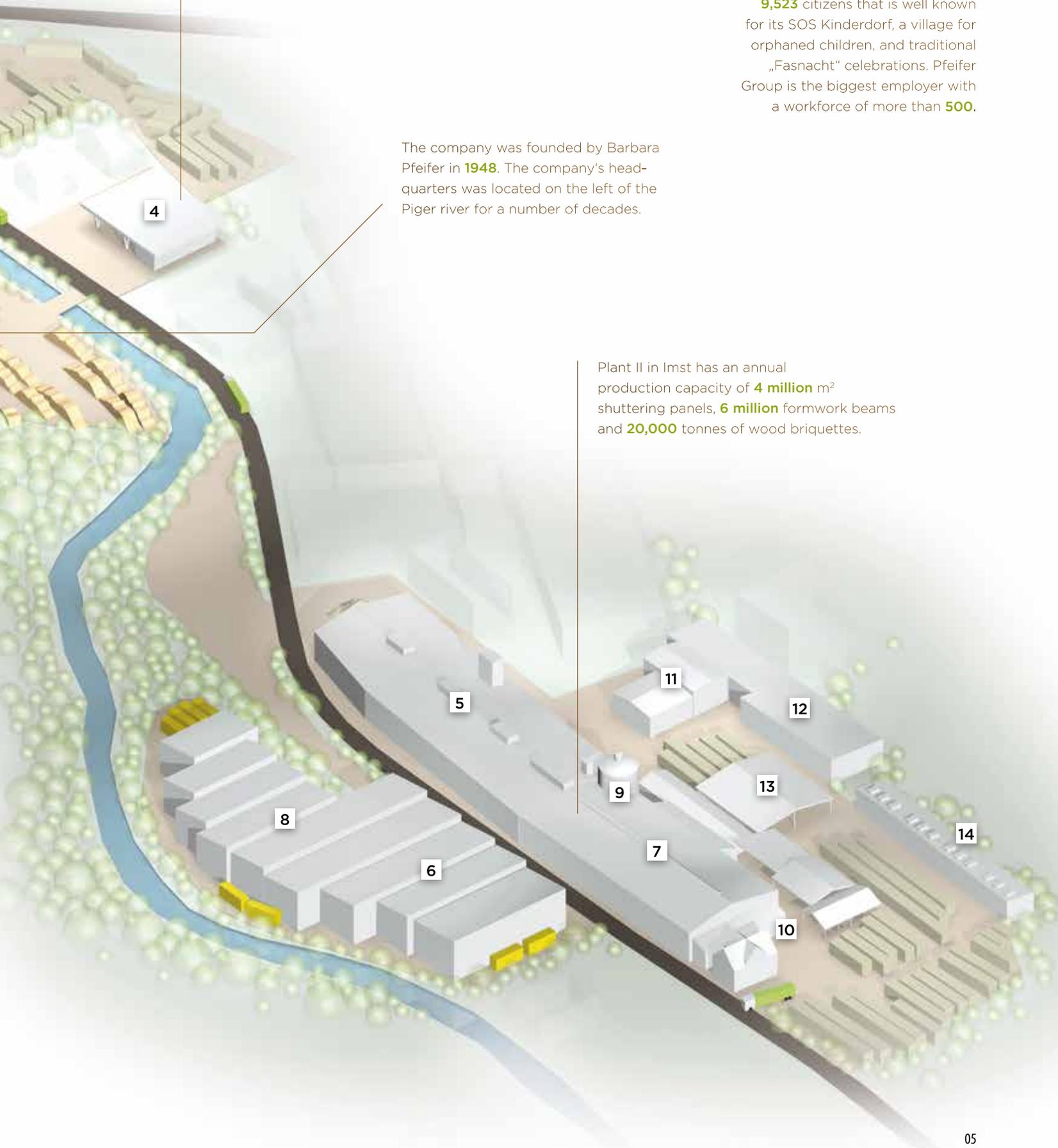
- 
- 1 Saw mill
 - 2 Band saw
 - 3 Former company HQ
 - 4 Company HQ
 - 5 Formwork panel plant
 - 6 Formwork panel storage
 - 7 Formwork beam plant
 - 8 Formwork beam storage
 - 9 Briquetting
 - 10 Briquette storage
 - 11 Workshop
 - 12 Timber
 - 13 Warehouses
 - 14 Drying chambers
 - 15 Wood panel plant
 - 16 Warehouses
 - 17 Pelleting
 - 18 Administration building
 - 19 Planed goods warehouse
 - 20 Planed goods
 - 21 Drying chambers
 - 22 Glulam plant
 - 23 Glulam warehouse

Its management and administration moved to a modern timber office building in **2008**.

The company was founded by Barbara Pfeifer in **1948**. The company's headquarters was located on the left of the Piger river for a number of decades.

Imst is a small town in Tyrol with **9,523** citizens that is well known for its SOS Kinderdorf, a village for orphaned children, and traditional „Fasnacht“ celebrations. Pfeifer Group is the biggest employer with a workforce of more than **500**.

Plant II in Imst has an annual production capacity of **4 million** m² shuttering panels, **6 million** formwork beams and **20,000** tonnes of wood briquettes.



NEW GLULAM PLANT IN IMST (A)

**PFEIFER GROUP INVESTS IN QUALITY,
FLEXIBILITY AND EFFICIENCY.**

Pfeifer Group has produced glulam and glulam elements in accordance with the highest quality standards since 1985. Pfeifer is aiming for Europe's Top 3 glulam manufacturer's with its high-tech glulam plant at the company's headquarters in Imst/Tyrol.

Pfeifer intends to be at the forefront of Europe's future-oriented wood construction market through state-of-the-art production technology, machine-based quality grading, high flexibility and an extended product range. The company has counted among the European leaders of glulam producers with an annual output of 135,000 m³ and is now aiming for a spot among the Top 3 in Europe by producing around 200,000 m³ per year at the new plant.

Tobias Schindler, sales manager at Pfeifer,

comments on current and future market requirements: „Wood has been making a fantastic comeback for many years. Glulam and glulam elements for roofs, ceilings and walls offer ideal opportunities for modern, ambitious and economic constructions. Hence our investment in quality, flexibility, delivery reliability and service at the new glulam plant.“

HIGH-TECH IN PRODUCTION

Machine-based grading and two next-gen-

eration high-frequency presses count among the main improvements to the new production line. Machine-based quality grading guarantees the best possible quality and most reliable products as all of the boards are put through their paces after drying. Quality assurance is top priority at Pfeifer. Continuous internal and external inspections carried out by independent accredited institutes such as MPA Stuttgart and Holzforschung Austria (a wood research institute) guarantee compliance



1985

Pfeifer Group has produced glulam and glulam elements at its site in Imst in accordance with the highest quality standards since 1985.

75

Pfeifer is represented in more than 75 countries around the world and therefore has an excellent network at its disposal.

24

Pfeifer glulam is available in customised lengths of up to 24 m, widths from 6 to 24 cm and heights of up to 1,280 mm.



Banking on wood is banking on the future.

Glulam offers versatile and flexible options for modern, discerning and economic constructions.

with the strict requirements placed on glulam products. High-frequency presses work very efficiently and therefore increase both performance and availability. That in turn enables the shortest possible delivery times.

LOGISTICS MIX WITH ADDED VALUE

„Made to order“ is the business that Pfeifer aims to excel at in the future, according to Tobias Schindler: „Industrial customers and timber retailers mainly order glulam on a project-related basis, and our production is very flexible thanks to our new plant.“ Glulam is produced in Imst both as standardised goods and in any desired length, dimension, stability class and surface quality. The plant manufactures commissioned lengths of up to 24 m, widths from 6 to 24 cm and heights of up to 1,280 mm in the stability classes GL24, GL28, GL 30 and GL32. Pfeifer underscores the emphasis on service with a logistics setup that offers the best just-in-time and reliable deliveries. Apropos logis-

tics: the trend towards immediate availability calls for a completely new logistics mix with added value for the customer. „Our products are currently available in more than 75 countries thanks to an outstanding logistics network. We can satisfy any demand the market may care to make thanks to our know-how and state-of-the-art production“, says a forward-thinking Tobias Schindler.

PRODUCT VARIETY FROM IMST

Pfeifer's comprehensive range makes it possible to combine different products on one truck. The planing plant in Imst was modernised in 2012 to further extend the timber construction range. Whether glulam, glulam elements, single or multi-layer solid wood panels, construction timber, planed timber, rough boards and battens.

Industrial customers and wood retailers
mainly order glulam in connection with
specific projects. Our new plant allows us to
adapt flexibly to production requirements.

TOBIAS SCHINDLER // sales manager at Pfeifer



Imst is ideally located at the heart of the core timber markets of Austria, Germany, Switzerland, Italy and France. A renewable trend with tradition: economic, sustainable and energy-efficient building with wood is taking the world by storm. And Pfeifer is participating in building this wonderful future.

EVERYTHING ON ONE TRUCK

Different products can be combined on the same truck thanks to Pfeifer's comprehensive product range and closely linked logistics network. The range of construction timber is particularly well defined.



PFEIFER GLULAM

Species	Spruce wood
Strength classes	GL24c / GL24h GL28c / GL28h on request GL30c GL32c
Quality	visible quality industrial quality
Length	minimum length 3 m / maximum length 24 m
Width	60 to 240 mm (in 20 mm steps) 6/8 widths: made from split timber
Heights	up to 1,280 mm in steps of 40 mm intermediate heights on request
Lamella thickness	approx. 40 mm
Dimensional tolerance	width/height: ± 2 mm (on delivery) Length - 0 / + 10 mm
Cuts	± 1 mm on request
Surface	planed on 4 sides, bevelled longitudinal edges
Wood moisture content	$u = 12 \pm 2$ %
Glueing	melamine resin glue, light-coloured glue joint, waterproof
Raw density	approx. 450 kg/m ³
Packaging	wrapped in packages/individually wrapped on request
Monitoring institutes	MPA Stuttgart/Holzforschung Austria
Usage classes	NK1, NK2, NK3
Product standard	production in accordance with EN 14080 Finger-jointing as per EN 385
Machine grading	as per EN 14081

■

The new formwork beam PF20^{PLUS} is one of the best in the world. And that is precisely where it is used – on building sites around the world. Characteristic: rounded beam ends and the green protective cap.



PF20_{PLUS}

A BEAMING SUCCESS

Formwork beams and panels made by Pfeifer Group are used in more than 75 countries around the world. The PF20_{PLUS} from Pfeifer is one of the best formwork beams available on the market today. Department head Ingo Meitinger speaks of demands and challenges in structured construction in an interview.

INGO MEITINGER // Interview

The highest quality standards and quality control have secured Pfeifer circuitry an excellent reputation in the industry. The formwork beam S20 was an international legend with regard to robustness, dimensional stability and durability.

The PF20 and PF20_{PLUS} have finally replaced the former flagship after intensive phases of development and testing. Lighter, safer, more stable and durable: these are the outstanding features of the new generation of Pfeifer formwork beams.

Pfeifer works continuously at improving its products. What latest technology needed to be incorporated in the new formwork beams?

Ingo Meitinger: We first need to differentiate between the PF20 and the PF20_{PLUS}. Let's start with the PF20 as it is the direct successor to our flagship, the S20. Timber whalers made from stability-graded spruce, three-layer solid wood, boiling-water-proof gluing and a low and

easy to handle weight – these standards score high with our customers around the world. The rounded beam ends with a strong, water-repelling coating are another quality feature. It makes our beams capable of dealing with any kind of influence.

Yet the industry is still demanding that beam ends should be „equipped“ with plastic caps, now and in the future. —>

Tried and tested around the world

Formwork beams and shuttering panels from Pfeifer are the preferred choice on construction sites around the world. Robustness, dimensional stability and a long useful life are the decisive quality criteria. And Pfeifer is one of only three companies in the whole world that can supply beams of up to 11.90 m in length.



In this case we had to comply with market demands, and the PF20PLUS is the result. We put various quality grades through exhaustive tests and chose end reinforcements made of heat-resistant and break-proof plastic. Our PF20PLUS beam is supplied with these end caps that serve first and foremost a protective function. The mechanical properties of the characteristic green caps are outstanding at high and low temperatures; they also have a UV stabilizer to protect them from the elements. The caps are fastened with dowels that do not weaken the face side of the beam.

Absolute customer orientation is a part of the Pfeifer philosophy. What other features set your products apart from those of your competitors?

We use software that allows us to „brand“ beams and panels with the customer's name. Logos and inscriptions are also possible. There is one other small but

much-appreciated detail: we print the name on the face side of shuttering panels so that the customer can always locate them when they are stacked together with other panels. And we are one of only three companies in the whole world who can supply beams of up to 11.90 m in length.

Pfeifer produces formwork beams and shuttering panels at three locations. Are there any differences in quality and pricing policy?

No. All shuttering products from the house of Pfeifer are manufactured to uniform standards and have the same quality characteristics.

Our PF20PLUS beam is supplied with an end cap that serves first and foremost a protective as well as a visual function. The characteristic green caps have outstanding mechanical properties at high and low temperatures.

INGO MEITINGER // department manager, shuttering technology

PFEIFER FORMWORK BEAMS

- ☰ Beam ends and protective caps, rounded (up to a length of 11.90 m)
- ☰ Entire face side protected by caps (PF20PLUS) or glaze (PF20)
- ☰ Handy, low weight
- ☰ Impact resistant
- ☰ High dimensional stability
- ☰ Low shrinkage
- ☰ Low risk of injury

Possible uses:

Shuttering for ceilings, walls, bridges and tunnels; work platforms

Production sites:

Imst/A, Schlitz/D and Trhanov/CZ; capacities: approx. 9 million linear metres (beams) and approx. 7 million m² (panels). This makes Pfeifer one of the leading producers in Europe.

Material & environment: the wood comes from sustainably managed forests, and trouble-free disposal at the end of the useful life is another advantage for the environment.

Logistics: All beam lengths are always kept in stock to ensure availability to customers in more than 75 countries.

Quality management: Quality is monitored by MPA Stuttgart and Holzforschung Austria.

PRODUCTION SITES



PFEIFER SHUTTERING PANELS

The Pfeifer Group has produced shuttering panels since 1971. They have many uses ranging from shuttering for ceilings, walls, bridges and tunnels to work platforms. The range includes shuttering panels from 21 to 27 mm and solid wood panels from 20 to 27 mm.

3-ply shuttering panels are available both with and without edge protection. The two longitudinal outer layers and the transverse middle layer are bonded with water-proof adhesive. This design virtually rules out any swelling or shrinking. Solid wood shuttering panels with edge protection create a joint-free surface and a visually appealing concrete quality. Both panel types have specially treated surfaces for easier cleaning, greater usability and a longer working life.

HIGH PROFILE IN EVERY MARKETPLACE

PFEIFER GROUP'S INTERNATIONAL PROFILE

Despite the strain on the European construction industry, Pfeifer Group will keep banking on continuity and flying the flag in northern and southern Europe. More than 235,000 visitors came to the BAU 2013, the world's leading trade show for architecture, materials and systems.

Data from the European office for statistics on the Italian construction industry matches the estimation made by Michael Pfeifer, managing director of Pfeifer Group. „The first quarter of 2012 went well, but demand has dropped steadily since April“, explains Pfeifer. He is reckoning with an overall decline of 20 per cent, but does not intend to withdraw from the Italian market. Firstly, the Mediterranean country purchases the entire product range; secondly, every market segment is suffering under the current situation. Italy is considered a growth market with extensive potential for the future, in particular

with regard to bio-fuels. The brand name Pfeifer is well-known in Italy for quality pellets.

CLEAR COMMITMENT

Italy's significance to Pfeifer Group was emphasised at the „MADE expo“ held in Milan in October 2012. The Pfeifer Group team used the opportunity to speak with customers old and new and inform them of the latest innovations at the 200 m² trade show stand. All in all, 231,000 visitors came to Italy's most important trade show for architecture in the Lombard metropolis.

TYROLEAN FLAIR FOR AN INTERNATIONAL AUDIENCE

Pfeifer's participation in the BAU 2013 in Munich proved to be a good start to the 2013 season as the exhibition attracted a record number of visitors. The event was completely booked out and set new standards with regard to the number of participating companies: 2,060 exhibitors from more than 40 countries presented their products at the Bavarian capital.

The Pfeifer Group team presented numerous innovations over the five-day event and met with keen interest from



Pfeifer's new 200 m² trade show stand was an attraction at the „MADE expo“ in Milan.



Long-standing partners and new customers alike appreciate the direct contact with the Pfeifer Group sales team at trade shows.

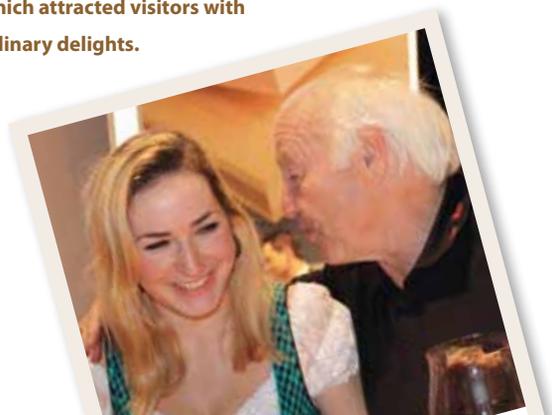
long-standing partners and new customers alike. The international flair and more than 60,000 visitors from foreign shores make the biannual exhibition a firm booking in the exhibition calendar. 235,000 visitors made their way to the BAU in Munich, many of whom are already looking forward to the next exhibition in January 2015. Pfeifer Group threw a traditional Tyrolean Evening with live music that was very well received by its existing customers and international clients.



Successful end to a trade show day in a relaxed atmosphere: the Tyrolean Evening at the BAU in Munich attracted visitors with live music and culinary delights.



Pfeifer's new exhibition booth in all its glory.



EXHIBITION DATES

- Shanghai (CN) >**
China Wood Expo
11.03. to 13.03.2013
- Verona (I) > Legno & Edilizia**
14.03. to 17.03.2013
- Dubai (VAE) > Dubai Woodshow**
09.04. to 11.04.2013
- Munich (D) > bauma**
15.04. to 21.04.2013
- Hanover (D) > Ligna**
06.05. to 10.05.2013
- Sao Paulo (BR) >**
Concrete Show 2013
28.08. to 30.08.2013
- Cologne (D) >**
Branchentag Holz
30.10. to 31.10.2013
- Paris (F) > Batimat**
04.11. to 08.11.2013
- Cologne (D) >**
Dach + Holz International
18.02. to 21.02.2014

SMALL PELLETS WITH BIG POTENTIAL

PFEIFER GROUP BANKS ON PELLETS AS THE FUEL OF THE FUTURE

The new pellet production plant in Lauterbach, Germany went into operation at the beginning of December 2012. The plant produces 70,000 tonnes of high-quality pellets per year - and the trend is rising. Pfeifer can now serve central and south Germany as well as the markets in Austria and Italy.

Pellets are on the rise the world over as a highly efficient, environmentally friendly, sustainable and cost-effective fuel. In 2012, around 13 million tonnes of pellets were consumed around the world – in private homes, municipal heating plants and power plants. The global rethinking process is supported by the high cost of fossil fuels and legal requirements to develop renewable energy sources. If the trend continues in this fashion the global demand for biomass could increase six-fold by 2020. Pellet manufacturers such as Pfeifer Group, one of Europe's leading producers, are upgrading their production systems in view of these forecasts.

COMPREHENSIVE MARKET COVERAGE

Pfeifer is a pellet pioneer of the first hour. What began back in the late 1990s – sales were barely blossoming at that time – with the first pelleting plant in Kundl/A has meanwhile become one of the Group's essential business areas. Pfeifer is the third largest pellet producer in the core markets of Germany and Austria. Pfeifer has also acquired a significant market share in Italy, whereby bagged pellets account for nearly all sales (except for South Tyrol, where pellets are also sold in bulk). The brand name Pfeifer is well-known in Italy and stands for top quality.

Five production sites (Kundl/A, Imst/A,

Unterbernbach/D, Trhanov/CZ and now Lauterbach/D) together produce around 415,000 tonnes of pellets per year. Thus, Pfeifer's pellet presses stretch from Inn-tal in Tyrol to Lauterbach in Hessen and guarantee comprehensive market coverage in A, D and I. „The plant in Lauterbach is the perfect complement to our sales area“, says Sebastian Proske, responsible for pellet sales in Germany, „integrating the plant means we are now able to supply all of central and south Germany with a 200 kilometre radius of any of the plants.“ Sales correspond to high expectations: the entire production quantity for the first quarter of 2013 has already been sold. Bulk

PFEIFER PELLET PRODUCTION PLANTS

Pfeifer is now able to provide a comprehensive supply to cover central and south Germany with a 200 km radius around each site thanks to the new production equipment at the integrated plant in Lauterbach.



goods account for the majority of sales in Germany and Austria, although there is a trend towards more bagged goods.

PELLET DEMAND CONTINUES TO RISE

The utilisation ratio of our pellet production sites is high. The market potential in D, A and I currently lies at around 4.1 million tonnes per year, whereby Italy alone accounts for 2 million tonnes per year. To compare: global demand currently lies at approximately 15 million tonnes per year. The boom in pellet-fuelled boilers and burners is the force driving market developments. Austria set a new record of 12,000 new pellet-fuelled boilers in

2012, bringing the overall number up to 102,000. The number of pellet-fuelled boilers in Germany grew to 180,000 last year. Italy has just under 200,000 pellet-fuelled boilers and is therefore another very interesting growth market. Pellets are used for very different purposes. In Germany, pellets are used virtually exclusively to generate heat, whilst in Great Britain they are used largely to generate electric power in power plants (co-firing) – another development that is driving the market forwards.

INFO IN BRIEF

Annual capacity:

approx. 415,000 tonnes of pellets

Quality Assurance:

Monitored by Holzforschung Austria Deutsches Pellet-institut DEPI

Standards and certificates:

EN 14961-2 and ENplus A1 certified

PELLET PRICE REGULATED BY DEMAND AND SUPPLY

The economic superiority of pellets over other energy sources (especially gas and oil) is the decisive argument for private and corporate consumers to switch to pellets. A long-term comparison clearly demonstrates the benefits of pellets: consumer prices for gas, oil and other household energy sources have more than doubled since the year 2000. The cost advantage over fuel oil is still high at about 40 percent (february 2013). The price of pellets is not dependent on the price of oil. In fact, the availability and price of the base material are what define the price together with demand and supply. "Price development and sales quantities run opposite courses", explains Sebastian Proske, "the demand for pellets is much higher in winter than in summer. These seasonal fluctuations can be buffered by so-called "bunkering promotions" by pellet dealers and collections in summer. In any case: "Replacing 5 million tonnes of fuel oil with pellets would save the European economy 2.5 billion euro every year," says Florian Singer, head of department for bio-fuels at Pfeifer.

„Replacing 5 million tonnes of fuel oil
with pellets would save the European
economy 2.5 billion euro every year!“

FLORIAN SINGER // department head, bio-fuels

CERTIFIED QUALITY



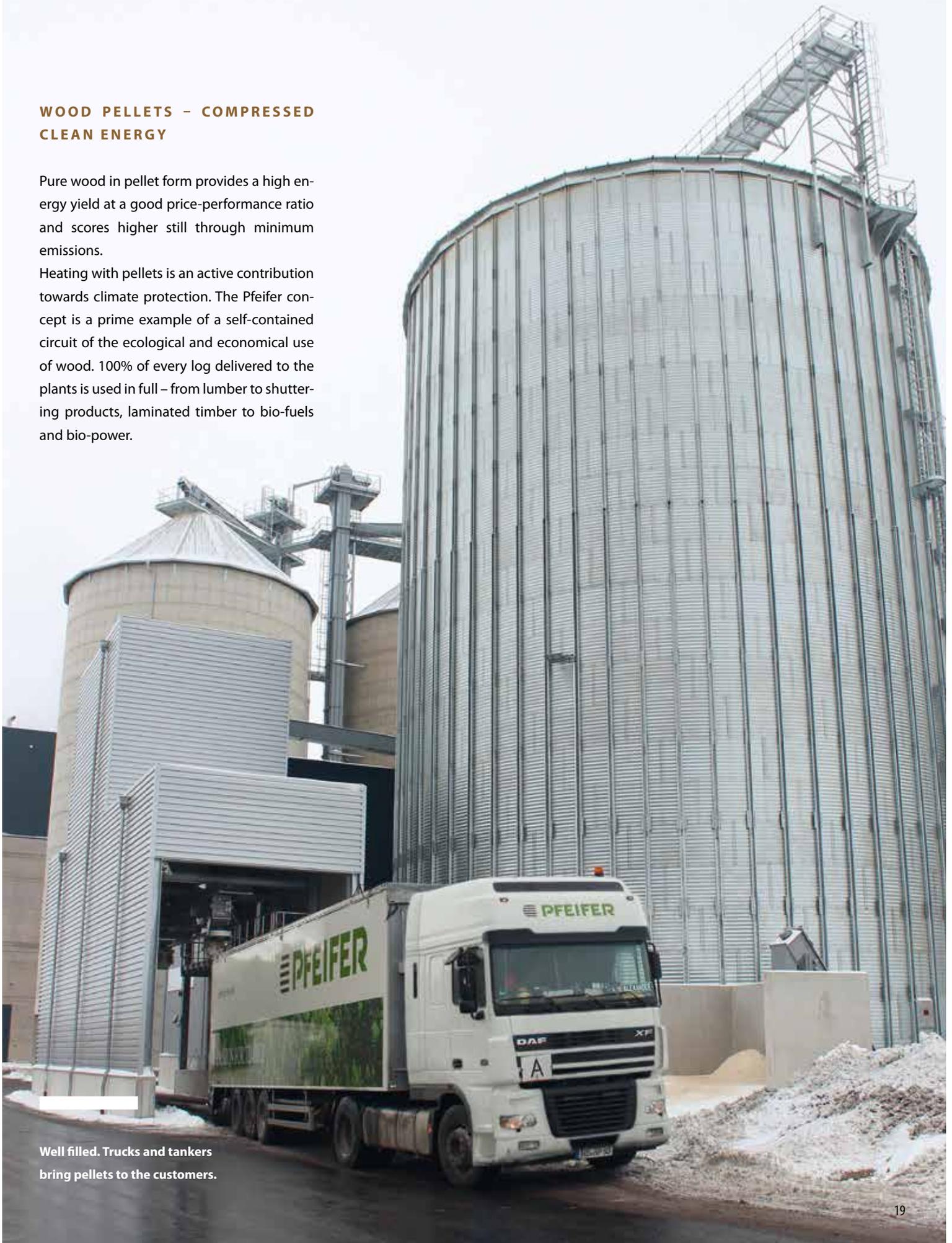
Samples are routinely drawn at Pfeifer's pellet plants and closely inspected – by internal and external quality controllers.

The fact that Pfeifer Group only uses waste wood from its own sawmills to make pellets is a decisive argument in favour of Pfeifer pellets. All of the production plants comply with the standard EN 14961-2 and are ENplus A1-certified. Meticulous internal quality management and active quality assurance through independent test institutes (Deutsches Pelletinstitut DEPI & Holzforchung Austria) guarantee a consistently high standard.

WOOD PELLETS – COMPRESSED CLEAN ENERGY

Pure wood in pellet form provides a high energy yield at a good price-performance ratio and scores higher still through minimum emissions.

Heating with pellets is an active contribution towards climate protection. The Pfeifer concept is a prime example of a self-contained circuit of the ecological and economical use of wood. 100% of every log delivered to the plants is used in full – from lumber to shuttering products, laminated timber to bio-fuels and bio-power.



Well filled. Trucks and tankers bring pellets to the customers.

INVESTMENTS & TECHNOLOGY FOR THE FUTURE

Pfeifer Group is always at the cutting edge when it comes to technology and development. 2012 was an investment-heavy year due to – or perhaps in spite of – an economically sometimes difficult climate. The family-owned business is looking to the future with vision and optimism. A number of further significant investments benefitting all of the Group's sites are planned for 2013 and the following years.

Pfeifer is ranking among the leading producers for solid biofuels. Pellets are also an important element at the location Lauterbach regarding the strategic focusing.

After just 6 months of construction and a very short start-up phase, engineer Roger Fränkel and his project team were able to take the new pellet production plant in Lauterbach into operation in November 2012, on schedule and just in time for the main sales season. The plant has since run at a high production level thanks to comprehensive market preparation. A sales production quantity of 70,000 tonnes is planned for 2013; the plant's maximum output lies at around 100,000 tonnes p.a. Automated loading is integrated in the computer system and guarantees a high loading capacity coupled with short truck standstill times.

LOGICAL STEPS AND OPPORTUNITIES

Expanding the strategic "bio-fuels" business unit was a logical step that not only reflects market trends but also represents an important contribution towards rounding off the overall concept at Lauterbach. The site in Lauterbach can now offer end-to-end processing of the raw material delivered in the form of lumber. In parallel, the entire plant of a participant in the pellet market was acquired at a favourable price in the autumn of 2012. Production stages such as a fully automated bagging stage have been integrated in the pellet production plant in Imst. The persistent crisis in the timber processing segment also offers



certain opportunities that Pfeifer Group routinely scrutinizes and utilizes.

NEW DRYING CHAMBERS

New timber drying chambers for sidings and packaging wood were commissioned in Lauterbach in August 2012. The block has four chambers, each with a length of 17.4 m, and an annual drying capacity of 105,000 m³. It is manufactured by MAHILD Drying Technologies, a specialist firm for high-tech timber drying plants. The German company has set its sights on building the fastest demand-based drying chambers that offer the best drying quality, a long lifetime and lowest energy consumption rates.

The chambers in Lauterbach are designed specifically for drying sidings and packaging wood. The core technology is centred on the use of low-temperature heat with a supply temperature of just 65° C – a very low temperature in comparison to other systems. This guarantees lossless turbine operation for the generation of electrical energy in the power plant, says the responsible project man-



Technology cores off he new plant for laminated and glued beams at the location Imst are the two high-performance high-frequency presses.



The plant for laminated glued beams is now one of the most modern of Europe.

ager Christian Zimmermann. Optimum power generation called for the development and installation of a heat management system with a continuous exchange

of information between the drying chambers and the power plant. This makes it possible to smooth over the typical fluctuations in heat demand and therefore achieve a constant turbine operation.

„One of the project’s main success factors alongside an innovative concept tailored to Pfeifer’s requirements is appointing reliable suppliers who are able to complete their assignments on schedule“

BERND HORNUNG // head of project team glulam plant Imst

NEW GLULAM PLANT IN IMST

A project team led by engineer Bernd Hornung took on the task of converting and extending the high-tech laminated timber plant in Imst. Following many months of preparation the project was put into action on 15 December 2012. The first laminated timber was produced during trial operations just a few weeks later after extensive disassembly work had been completed. The entire production plant is monitored and controlled by a central computer system. Two high-efficiency, high-frequency presses and a state-of-the-



In August of 2012 new wood drying chambers were launched at the location Lauterbach.

art continuous press make up the heart of the plant for manufacturing plank laminations of up to 24 metres in length. This has enabled the plant to increase its output capacity to 200,000 m³ per year.

“One of the project’s main success factors alongside an innovative concept tailored to Pfeifer’s requirements is appointing reliable suppliers who are able to complete their assignments on schedule”, says Hornung in praising the collaboration with proven partners. The majority of conversions were completed around the turn of the year; the project will be concluded by summer 2013.

UPGRADING IN KUNDL

The planing plant in Kundl is an integrated component of the laminated timber concept was upgraded in parallel to the

conversion work at Imst; the upgrades included improvements to mechanisation and the installation of a strength grading system to meet future market requirements. The heart of the plant – the planing machine – will be replaced in the summer of 2013. This will make the planing plant in Kundl well-equipped for the increasing demands of the future.

Plank laminations are stored in a purpose-built warehouse until they are shipped by truck to their destination. Packages of different strength grades are placed into storage automatically at precisely the right location by an indoor crane. This has accelerated this particular step in the logistics process and made damage to packages a thing of the past.

ADDITIONAL INVESTMENTS IN 2013

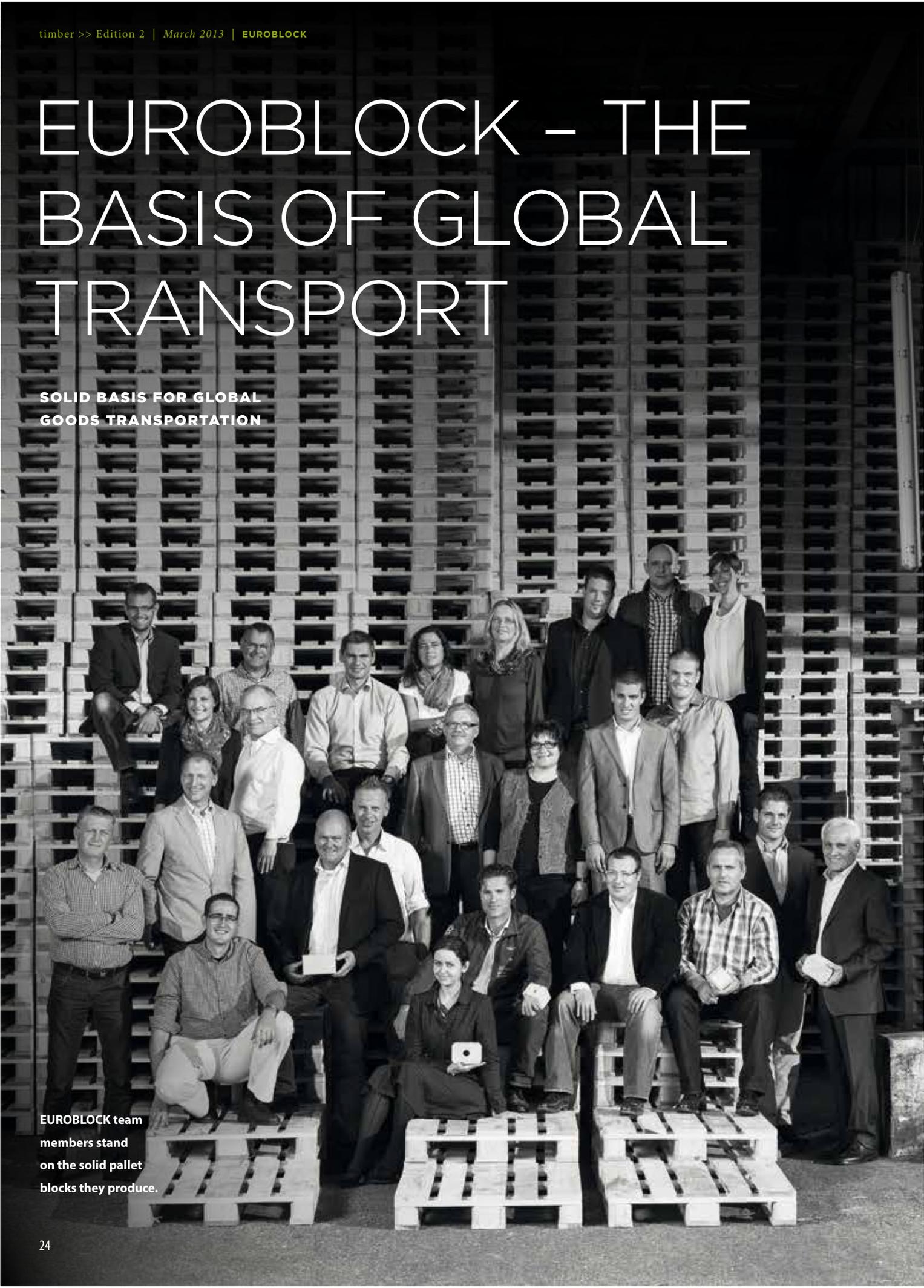
Further investment projects across all of the Pfeifer Group sites have been approved for 2013. Maintaining competitiveness in a fiercely contested market is top priority for the Group’s management. Managing director Clemens Pfeifer says on commenting the demands: „It is essential to have the key factors at hand to ensure plans are put into action. Our employees play a central role not only in project implementation but also in the sustainable operation of our production facilities.“

IMPROVED FORMWORK BEAMS

A team led by project manager Thomas Wille took on the challenge of improving the PF20PLUS formwork beam. These formwork beams now have a characteristic green protective cap on each end. The cap has increased customer benefit: the entire cross-section of each beam end is now protected by a heavy-duty plastic cap. This provides the beam with far greater protection from mechanical damage and susceptibility to the elements on construction sites. This increases durability and reusability, which in turn results in cost savings for the customer.

EUROBLOCK - THE BASIS OF GLOBAL TRANSPORT

SOLID BASIS FOR GLOBAL GOODS TRANSPORTATION



EUROBLOCK team members stand on the solid pallet blocks they produce.

The numbers EUROBLOCK has to report are indeed impressive: one billion (!) pallet blocks leave the five production sites in Unterbernbach/D, Uelzen/D, Lauterbach/D, Berlin/D and Ermelo/NL each year. That is enough to produce 100 million pallets with blocks from EUROBLOCK. If one were to stack a year's production of man blocks one on top of the other the column would measure 80,000 kilometres – twice the circumference of the Earth!

SUCCESSFUL JOINT VENTURE

It is a success story that started out as a

sales association for packaging wood. EUROBLOCK Verpackungsholz GmbH is a joint venture with two strong partners each holding a 50 % share: Pfeifer Group with eight sites in Austria, Germany and the Czech Republic, and Presswood International B. V. of Ermelo/NL with two sites in the Netherlands and Germany. Innovation and quality, capacity utilisation, sustainable activities and top technological standards are the guiding principles upheld by the world leader for pallet blocks. International presence, comprehensive know-how based on 30 years of experience, first-class service and optimised product segments – the advantages for customers who require or produce professional packaging solutions are clearly obvious.

The firm's headquarters in Unterbernbach and the other production sites provide the best possible care to customers throughout Europe and overseas; the company also maintains 10 sales offices around the world.

Customers can expect punctual

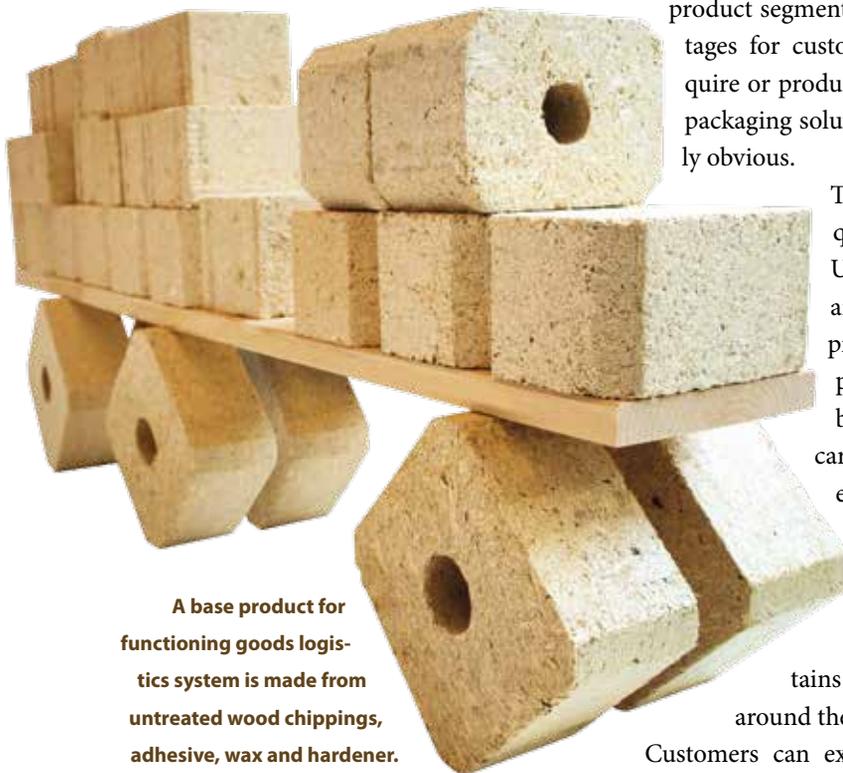
and reliable shipments as the company utilises every logistical option by sea, road and rail.

SUSTAINABILITY INCLUDED

Pfeifer Group's wood processing plant generate more than 2 million loose cubic metres of debarked chippings and wood shavings every year – a valuable and completely pollutant-free base material for the production of pallet blocks. The plants in Unterbernbach, Lauterbach and Uelzen are "integrated plants", which means that block production takes place at the sawmill. Presswood makes targeted use of recycled material at the other plants. This guarantees a closed-loop value-adding chain from the logs to the finished products. Utilising 100 per cent of the log spares 1.5 million trees from being felled!

SOLID QUALITY

The untreated pine wood shavings and conditioned chippings are combined with adhesive, wax and hardener (an automated, computer-controlled process) and pressed into form under high pressure and high temperatures. The result is a homogeneous, high-quality wood-based material and an essential base product for a functioning goods logistics system. Internal and external quality control make pallet block from the house of EUROBLOCK the preferred choice. The comprehensive control system consisting of block scales and height measurement on every press is entirely new. Blocks from EUROBLOCK are an environmentally friendly wood product that is combined with the advantages of planks from naturally grown wood (elasticity and flexibility) to create ideal pallets. EUROBLOCK also provides packaging wood made exclusively from European spruce, pine and fir trees from sustainable forests. Cutting the wood on state-of-the-art machines guarantees smooth surfaces, exact cuts and dimensional accuracy.



A base product for functioning goods logistics system is made from untreated wood chippings, adhesive, wax and hardener.

Pallet blocks and packaging wood from the house of EUROBLOCK quite literally provide a solid basis for modern goods transportation around the world.

A production capacity of one million m³ of pallet blocks per year enables EUROBLOCK to provide a just-in-time service to its customers around the globe.

THE DEMAND FOR PREMIUM WARE IS RISING

PROMISING MARKETS OF THE FAR EAST

China: a sleeping giant for the wood industry is awakening.

Pfeifer banks on increased quality growth in the sawn timber segment.

The market situation for sawn timber in Europe remains under tension, whilst the US market is on the road to recovery. Representatives from the segment dared to make this forecast at the International Softwood Conference in Stockholm in October 2012. The light at the end of the tunnel is the recovery of the US housing market with an estimated 900,000 construction starts for 2013, of which 80 to 90 per cent will be wood-based. By way of comparison: only around ten per cent of the 1.4 million construction starts in Europe will be wood-based. However, there is another figure that caused murmurs in the segment. China reported an incredible 13 (!) million construction starts in 2011.

QUALITY AS AN OPPORTUNITY

China's softwood imports have risen significantly in the wake of this enormous construction volume. The estimations

for 2012 forecast around 22.5 million m³ of imported softwood. „This is precisely where our chances lie. Just over a year ago quality was hardly of relevance with regard to softwood. However, the demand for high-quality products is rising continually“, says Michael Pfeifer, managing director at Pfeifer Holding.

Until recently a large proportion of softwood imports to China came from Canada and Russia – i.e. source markets that in the past were unable to offer the same level of quality as the central European sawmill industry. „The rise in the demand for premium quality in our segment is inevitable, given the huge volume of construction projects and the general increase in wealth. China will never be a major market, but it will provide an opportunity to compensate for downturns in other markets“, continues Pfeifer.

THE CHINA / INDIA POTENTIAL

His board colleague over at Pfeifer Holding, Ewald Franzoi, also sees the opportunities in Asia against the backdrop of developments in India. „China and India together account for 2.5 billion citizens. And neither country has this raw material in any significant quantities. The current economic growth in China and India leads us to assume that developments will be explosive“, says Franzoi.

Pfeifer's first steps in China involved trade show appearances and contacts in the formwork beam segment.

It quickly became apparent that the giant economy will be a very interesting market for softwood in the mid-term. „One has to enter this kind of market at the right time – never too early and never too late. Our preliminary work has certainly paid off“, emphasises Michael Pfeifer.

CHINA 13.000.000

CONSTRUCTION STARTS 2013

The statistics for building
projects starting in 2013
speak for themselves

EUROPE 1.400.000

JAPAN 950.000

AMERICA 900.000



ONLINE PLATFORM GETS PFEIFER'S LOGIS- TICS UP AND RUNNING



Happy about making second place at the Austrian Logistics Awards 2012:
Armin Musija, Transporeon,
Franz Staberhofer, Logistikum Steyr,
Herbert Stöckl, head of logistics Pfeifer,
Alexander Sollmann, Transporeon
and Pfeifer's managing director
Michael Pfeifer (f.l.).

AWARD-WINNING PROJECT

Logistics network association „Verein Netzwerk
Logistik Österreich“ presents annual awards to
companies that implement outstanding logistics projects.
Pfeifer Group was among the winners in 2012.

„Process optimisation for order processing and through time window management at the plants in Imst and Kundl.“ This is the title of the project that secured second place for Pfeifer Group at the Austrian Logistics Awards. Pfeifer took to the limelight in the category „Best economic result improvement through a logistics tool“.

SIMPLIFYING PROCESSES

Pfeifer has managed its truck tours via Transporeon for the past four years to optimise order allocation and loading/unloading at the warehouse. The global web-based logistics platform links industry and trading companies with transport service providers; there are currently 450 shipping agents and more than 22,000 carriers.

„Our objectives were to centralise scheduling and to reduce personnel expenditure and therefore costs“, explains Herbert Stöckl, head of logistics at Pfeifer. Prior to the introduction of the Transporeon software the team of schedulers consisted of around 20 employees; today, five employees at two scheduling centres in Imst and Unterbernbach process around 70,000 shipments a year. Stöckl: „This means we can use freed-up personnel resources for other projects and areas.“ Pfeifer meanwhile organises overseas container shipments via the online logistics specialists.

ECOLOGICAL BENEFIT

Pfeifer uses the so-called “No-touch Order” module to place its shipping assignments. The system selects the most suitable transport service provider on the basis of specific criteria such as quantity, regional allocation or requirements for special vehicles. The tour is then tendered online via the “Best Carrier” module. “It enables us to collect bids quickly and with virtually no red tape”, explains the head of logistics. The result is not only a huge economic advantage but also ecological benefits. “Time window management” also plays an important role in the success

of Pfeifer’s new logistics concept. Stöckl: “Shipments are assigned according to a schedule; coordinating truck arrival times reduces waiting times and avoids traffic jams right from the start”.

Stöckl points out that logistics have changed considerably in recent years and says: “Winning the Austrian Logistics Award is confirmation that we are on the right path, but it is certainly no reason to rest on our laurels.”



The Austrian Logistics Award 2013 will be presented in the following categories: „Best economic result improvement through a logistics tool“, „Best innovative mutually beneficial logistics solution“ and „Best practice-related diploma dissertation or Master’s thesis“. The jury is made up of experts from commerce and academia and representatives from last year’s award-winning companies.

MERIT FOR PFEIFER

Rating Certificate

D&B hereby declares that

Pfeifer Holz GmbH & Co KG
Company Name

30-041-1472
D&B D-U-N-S® Number

Fabrikstraße 54, 6460 Imst
Company Address

has assigned a company with
Rating

1

on 02/11/2012

[Signature]
Dr. Stefan Wessinghagen
Managing Director

The coveted certificate once again went to Pfeifer

Dun & Bradstreet once again awarded Pfeifer Group its Rating #1, the highest credit rating, for the third time running. The world’s largest service provider for Business-to-Business economic information bases its assessments on a company’s reliability and stability. The rating is an impressive confirmation of Pfeifer Group’s status as a trustworthy business partner.

IN BRIEF

LOYAL EMPLOYEES // Numerous employees of long standing were honoured for their tireless work for Holzindustrie Pfeifer in 2012:



Managing director Michael Pfeifer thanked Hubert Scharf and Manfred Spitzenstätter for their respective 25 years of staff membership in **KUNDL**.



A very special award was presented at the Christmas Party in **UNTERBERNBACH**: Josefine Hiltner celebrated her 40th year with the company in 2012. Her colleague Max Eberle was honoured for 35 years of loyalty, as were Josef Schapfl, Lark-Heinz Zerkoch and Georg Amrehn, all of whom have worked in Unterbernbach for 30 years. Rudolf Koch, Martin Großhauser, Hans Suchard and

Norbert Huber all received gifts for 25 years of company membership. Harald Widmen, Roland Wanja and Bernhard Marquard were honoured for 20 years of company loyalty. The following employees also received loyalty awards: Gregor Triltsch, Claudia Wittmeir, Yunus Kaygusuz, Klaus Klemm, Marianne Schuhmacher, Pegel Hack Osman, Maik Sonnenberg, Florian Frohnwieser, Garip Betrettin, Jörg Telle, Mehmet Calis, Dietrich Klein.



The two managing directors Michael and Clemens Pfeifer joined Bernhard Pfeifer to honour employees of long-standing at the annual Christmas Party in **IMST**. Siegmund Mark, Ali Tüzün and Walter Kiechl have worked for Pfeifer Group for 25 years. Roman Flür, trainee electrician, was also honoured for his outstanding efforts at college and at work.

Paul Röble and Daniele Knoblauch were honoured in the German town of **HÖCHSTÄDT** for their many years of loyalty to the company. Röble has been with Pfeifer Group for 45 years and started his career as a trainee industrial sales clerk. He is meanwhile the head of the logistics department in the Höchstädt subsidiary.

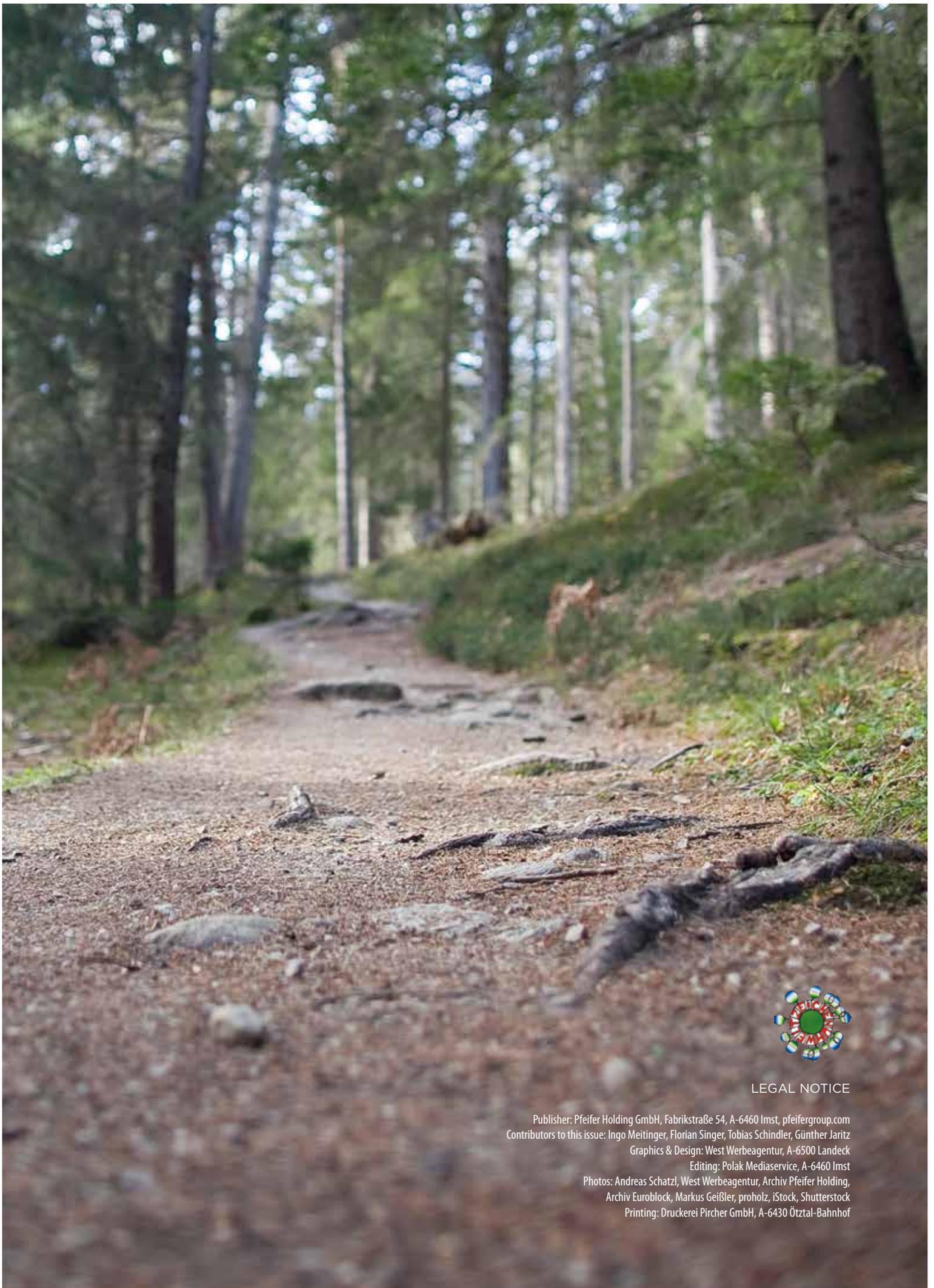
PALLET PROFESSIONALS VISIT PFEIFER // International representatives of the CHEP company, the world's leading provider of pallets, came to visit the plant in the Bavarian town of Unterbernbach in September. The pallet block production plant was of particular interest. Managing director Michael Pfeifer informed the guests from USA, Europe and Australia of the plant's output capacity.



VISIT TO UNTERBERNBACH //

The employees and managers from Salzburg's Vitzthum (Unken) sawmill used their company outing as an opportunity to visit the Pfeifer plant in Unterbernbach.





LEGAL NOTICE

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From the heart of Europe
**INTO THE
ENTIRE WORLD**



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