## Trade Measures Branch

**Exporter Questionnaire** 

**Product:** Structural Timber

From: Austria, Canada, the Czech Republic, Estonia, Germany,

Lithuania, Sweden and the USA

Period of Investigation: 1 July 2010 to 30 June 2011

Response due by: 19 October 2011

Investigation case manager: Mick Kenna

Phone: +61 2 6275 6544 Fax: +61 2 6275 6990

E-mail: michael.kenna@customs.gov.au

**Australian Customs and Border Protection website:** 

www.customs.gov.au

Return completed questionnaire to:

Trade Measures Branch

Australian Customs and Border

Protection Service 5 Constitution Avenue Canberra ACT 2601

**AUSTRALIA** 

Attention: Director Operations 3

2

115

## SECTION A COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports:

## A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office:

Name: Andreas Reiterer

Position in the company: Management Director Sales

Address:

**Telephone:** +49 2961 770 23120

Facsimile number: +49 2961 770 63120

E-mail address of contact person: Andreas.Reiterer@egger.com

Factory: Not Applicable

Address:

Telephone:

Facsimile number:

E-mail address of contact person:

# A-2 Representative of the company for the purpose of investigation

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: John Cosgrave, Minter Ellison Lawyers

Address: Minter Ellison Building

25 National Circuit, Forrest, ACT 2603

Telephone: 61 2 6225 3781

Facsimile/Telex number: 61 2 6225 1781

E-mail address of contact person: john.cosgrave@minterellison.com

Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

## A-3 Company information

 What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

114

The name of the company is EGGER Sägewerk Brilon GmbH. The company is a privately held saw mill company located in Brilon, Germany and has operated since May 2008. The operation purpose is the manufacturing and selling of sawn timber. We do not use other business names to export or sell goods.

 Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

EGGER Sägewerk Brilon GmbH is owned 100 per cent by EGGER Holzwerkstoffe Brilon GmbH & Co. KG, Brilon.

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

The unlimited parent partner company to EGGER Holzwerkstoffe Brilon GmbH & Co. KG is Egger Holzwerkstoffe Brilon Beteiligungs-GmbH.

 If your parent company is a subsidiary of another company, list the principal shareholders of that company.

The ultimate parent is EGGER Holzwerkstoffe GmbH, St. Johann in Tirol

 Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

Please find attached the diagram of the affiliated companies of EGGER Sägewerk Brilon GmbH on the site of Brilon. The fully integrated production site in Brilon is incorporated in EGGER Holzwerkstoffe Brilon GmbH&Co. KG, Egger Kraftwerk Brilon GmbH and EGGER Sägewerk Brilon GmbH. The ultimate parent company for these companies and the holding company of the EGGER Group is EGGER Holzwerkstoffe GmbH, St. Johann in Tirol.

[Confidential - Illustration of corporate relationships]

For more details of EGGER Group companies see the consolidated financial accounts to section A-4.

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

[Confidential - Financial details]

 Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

EGGER Sägewerk Brilon is a saw mill which manufactures and sells sawn and planed timber.

- 8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:
  - produce or manufacture

4

112

- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

EGGER Sägewerk Brilon performs all above listed functions in relation to the goods under consideration.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

See APPENDIX A-3, 9

10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

The group brochure of the EGGER Group and the brochure for our timber products will be provided in hard copy form as **APPENDIX A-3. 10** 

## A-4 General accounting/administration information

1. Indicate your accounting period.

The EGGER Group financial year operates May to April.

2. Indicate the address where the company's financial records are held.

Financial records are held at the office identified in A-1

- Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
  - chart of accounts:
  - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
  - internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

## [Confidential - Corporate Operational Details].

- See APPENDIX A-4.3 (a)
- consolidated accounts of the EGGER Group for the financial year 2011
   [Confidential Account details] APPENDIX A-4.3 (b)
- [Confidential Account details] See APPENDIX A-4.3 (c)

[Confidential - Account details] - See APPENDIX A- 4.3 (d)

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

[Confidential - Corporate Operational Details ]

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

The accounting practices do not differ from the generally accepted accounting principles in Germany. An additional financial statement is generated according to IFRS for consolidated group reporting.

#### 6. Describe:

The significant accounting policies that govern your system of accounting. in particular:

the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out -LIFO, first in first out- FIFO. weighted average):

The value of still existing stock measured at purchase or production cost has to be checked on the balance sheet date. In case of an impairment, the stock has to be written down. The net realisable value has to be determined on the balance sheet date in order to see if there is an impairment.

In the case of raw materials the raw material replacement cost is used as a measure to determine the net realisable value.

In order to make the balance sheet valuation in accordance with the principle of the lower of cost or market, different inventory prices will be set; they constitute the basis to calculate the value for the the balance sheet valuation. Determination of the lower of cost or market by market prices Determination of the lower of cost or market by marketability

Stocks shall be measured at the lower of cost and net realisable value According to IAS 2.10, the costs of production are measured according to the full cost principle. These are in particular all direct costs which can be assigned to the unit of production. They also include all fixed and variable overheads which are systematically allocated to the production process. Fixed overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment. Variable overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

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6

costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Our cost allocation method is based on the principle of causation. The allocation of manufacturing overhead costs from cost centre to product groups profit centre is based on the processing time of the plant.

 valuation methods for damaged or sub-standard goods generated at the various stages of production;

Damaged or sub-standard work-in-process products are valued at manufacturing costs. The low value of the damaged or sub-standard goods is reflected in the lower sales price.

valuation methods for scrap, by products, or joint products;

By-products are bark, log trim-offs, wood chips, sawdust and shavings. They are valued at market prices.

valuation and revaluation methods for fixed assets;

Acc. to IAS 16.7, an item of tangible assets should be recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the enterprise; and
- the purchase or production cost (in IAS 2.10 production cost is referred to as cost of conversion) of the asset to the enterprise can be measured reliably.

In the capitalisation of tangible assets you have to consider that it is required to split up the whole expenses for one asset into its components and to recognise every component individually in particular if these components have different useful lives (component approach).

## First measurement

The first measurement of tangible assets is made as purchase or production cost at the time of receipt.

Acc. to IAS 16.16pp., the purchase or production cost comprise the following elements:

- purchase price incl. incidental expenses and all directly attributable costs of bringing the asset to working condition
- estimated costs for the disposal of the asset and/or recultivation of the location
- less quantity discounts, rebates and cash discounts
- subsequent purchase costs
- Borrowing cost capitalisation with qualifying assets

Administration and selling overhead costs are not a component of the purchase cost of tangible assets unless they can be directly attributed to the acquisition of an asset.

## Measurement after recognition

Items of tangible assets are carried at purchase or production cost reduced by the (straight-line method of) depreciation and possible impairment losses (= benchmark treatment).

The re-measurement method is not used at Egger.

Every part of a tangible asset whose costs do not involve an essential part in relation to the total costs has to be depreciated separately (IAS 16.43). This so-called "component approach" may lead to the fact that single parts of tangible assets are depreciated with different useful lives.

The **depreciation** of the asset additions is affecting current-period results and done pro rata temporis (daily basis).

A received **cash discount** may never be posted as profit as the discounts received always have to be handled like a reduction in the purchase price due to the acquisition cost principle.

The valuations for fixed assets are acquisition costs.

average useful life for each class of production equipment and depreciation method and rate used for each;

The depreciation of long-term assets is done by means of asset classes. The useful life has been standardised in respect to IAS accounting.

	Depreciation according to IAS
Fixed Assets	
Industrial buildings	25
Residential and commercial buildings	50
Fixtures on land	10
Machinery	10
Tools	4
Factory and office equipment	3-5
Vehicles, busses, lorries and other vehicles	4 - 10

treatment of foreign exchange gains and losses arising from transactions:

According to IAS 21.11, receivables in foreign currency should be translated using the closing rate (middle rate). Exchange differences have to be considered in the net profit or loss affecting the current-period result (financial result), according to IAS 21.28. The middle rate is used to determine the difference. Differing from the principle of the lower of cost or market expected losses as well as expected profits have to be realised.

100

treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

In order to achieve a relief of the strain of the operating result from price fluctuations, all foreign exchange effects have to be represented in the financial result.

Here one states exchange gains and losses from the conversion of bank balances, loans with financing character (of long-term assets), financing loans and net investments in foreign currency as well as effects connected with foreign exchange contracts.

inclusion of general expenses and/or interest;

General expenses and interest are not set up as an asset.

- provisions for bad or doubtful debts;

Trade receivables are recognised for full face value and value adjusted when appropriate.

 expenses for idle equipment and/or plant shut-downs; costs of plant closure;

Not relevant for the calculation of production costs.

restructuring costs;

Not relevant for the calculation of production costs.

by-products and scrap materials resulting from your company's production process; and

By-products are valued at market prices, please see above.

effects of inflation on financial statement information.

The financial statement is based on nominal value. Not relevant for the calculation of production costs.

 In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

No, the accounting method has not changed over the last two years.

## A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration ('goods under consideration' (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)	investigation period
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# PUBLIC FILE

## **PUBLIC FILE VERSION**

	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)			<u> </u>	
Depreciation (6)				
Manufacturing overheads (7)			<del></del>	
Other operating expenses (8)				
Total cost to make (9-4+5+6+7+8)				
OPERATING INCOME (10=3-9)		1		<del> </del>
Selling expenses (11)				1
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12=13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)	1	<del></del>	<del></del>	+
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)	<del> </del>	+	<del> </del>	<del> </del>
	1_			

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "Income statement".

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

ME\_94683207\_2 (W2003)

## PUBLIC FILE

**PUBLIC FILE VERSION** 

10

107

Please see ATTACHMENT A-5 - [Confidential -Accounting Details]

## **PUBLIC FILE VERSION**

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volumė	Value
Total company turnover		"		
(all products)				
Domestic market		1	<u> </u>	
Exports to Australia				
Exports to Other Countries		<del>                                     </del>		
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market		+		
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market	<del></del>			
Exports to Australia		1		_
Exports to Other Countries	<u> </u>	1	-	

Prepare this information in a spreadsheet named "TURNOVER".

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

Please see ATTACHMENT A-6 - TURNOVER

# Section B Sales to Australia (export price)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at the exfactory level.

You should report prices of all Goods Under Consideration (the goods) shipped to Australia during the investigation period.

The invoice date will normally be taken to be the date of sale. If you consider:

the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;

an alternative date should be used when comparing export and domestic prices

you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

[Confidential - Customer Details]

- B-2 For each customer identified in B1 please provide the following information.
  - (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

The Goods are loaded into a container at the mill, trucked to the port of loading (Hamburg, Germany) and shipped to any port in Australia.

(b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

[Confidential - Customer Details]

Supplier: Egger Sägewerk Brilon GmbH

Transport/shipping company: various, depending on availability

[Confidential - Customer Details]

After arrival in Australian Port: pick up by transport company organized by

the customer

[Confidential - Customer Details ]

Supplier: Egger Sägewerk Brilon GmbH

Transport/shipping company: various, depending on availability

[Confidential - Customer Details]

After arrival in Australian Port: pick up by transport company organized by

the customer ME\_94683207\_2 (W2003) 12

## **PUBLIC FILE VERSION**

[Confidential - Commission details]

(c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

The goods remain in the ownership of Egger Sägewerk Brilon until the goods have been paid in full by the customer according to the General Terms and Conditions of Egger Sägewerk Brilon GmbH. All shipments within the investigation period were made on CIF terms.

(d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

## [Confidential - Commission details]

(e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

Prices and volumes are negotiated by the Sales Manager of Egger Sägewerk Brilon GmbH and the responsible Purchasing Manager at the customer. Monthly or quarterly contracts are sent to the customers after negotiations and produced to order after written confirmation from the customer. Therefore a price list is not necessary. Once the product is ready for shipment, containers are ordered and loaded. After receiving the B/L, all documents including, B/L, invoice, delivery note, freight documents, packing list and phytosanitary certificate are sent to the customer. Payment by the customer is made via TT into our AUD accounts in Europe according to the payment term negotiated

(f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

Egger Sägewerk is not related to any of the Australian customers. There is no rebate structure or any other agreement regarding financial support in place with any Australian customer.

(g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

Forward orders not yet shipped (calender week 40) are listed in **Appendix B-2 (g) - Forward orders.** Contracts [Confidential - Forward Contract Details]

B-3 Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

All customers in our customer base in Australia are considered as importers/wholesalers. Prices are negotiated on individual base as mentioned in B-2 (e).

B-4 Prepare a spreadsheet named "Australian sales" listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the involce. Show basis eg kg.
Gross invoice value	gross invoice value shown on invoice in the currency of sale, excluding taxes.
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value.  Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice.  Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment

ME\_94883207\_2 (W2003)

	listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the seiling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

## \*\* FOB export price and Ocean Freight.

<u>FQB export price</u>: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the <u>actual</u> amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

## See ATTACHMENT B.4 - Australian Sales

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

NIL

<sup>\*</sup> All of these costs are further explained in section E-1.

- B-6 For each type of discount, rebate, allowance offered on export sales to Australia:
  - provide a description; and
  - explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

[Confidential - Transaction details]

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has not been reported as a discount or rebate.

Credited Amounts have been incorporated in Attachment B4

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of Import duty paid in Australia
Inland	Amount of inland transportation expenses within Australia
transport	included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

Not applicable

- B-9 Select two shipments, in different quarters of the investigation period, and provide a <u>complete</u> set of all of the documentation related to the export sale. For example:
  - the importer's purchase order, order confirmation, and contract of sale:
  - commercial invoice;
  - bill of lading, export permit;
  - freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
  - marine insurance expenses; and
  - letter of credit, and bank documentation, proving payment.

## **PUBLIC FILE**

## **PUBLIC FILE VERSION**

17

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

See APPENDIX B-9 - Export Sales Documents

18

## Section C EXPORTED GOODS & Like goods

C-1 Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

The structural timber exported to Australia under the tariff number 44071031 (Spruce of the species Picea abies Karst. or silver fir Abies alba Mill., sawn or chipped lengthwise, sliced or peeled, of a thickness of > 6 mm, planed (excl. end-jointed) is specifically produced for the Australian Market according the Australian Standards and hence sold only to the Australian Market. The raw material is sourced within Germany and PEFC certified, meaning all logs are sourced from sustainable forests.

Egger structural timber is mainly used in timber frame and roof trusses . The product itself is made out of European Whitewood/Spruce (Picea Abies). During the production process the logs are cut into green, sawn timber, then kiln dried in drying chambers (acc. to ISPM15 standard) and then further processed, dressed/planed 4 sides with round edges, graded and precision end trimmed.

Every single piece is tested for moisture content, strength grade and visual grade when produced in the planing mill.

## Products:

Whitewood, MGP10/12, Kiln dried to a moisture content of 12% in accordance with ISMP 15 Standard, planed 4 sides, eased edges, precision end trimmed, third party verified, PEFC certified

Thickness x width in mm	
35x70mm	45x70mm
35x90mm	45x90mm
35x120mm	45x120mm
35x140mm	45x140mm
35x170mm	
35x190mm	

Length ranging from 2,25 to 5,4m, according to customer requirements. All stuctural timber sold by Egger is non-treated.

C-2 List each type of goods exported to Australia (these types should cover all types listed in spreadsheet "Australian sales" – see section B of this questionnaire).

See APPENDIX C.2 - Products & Product code

C-3 If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically:

and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

[Confidential - Product detail table]

As shown in table C-3 all products are produced out of the same species, but width, thickness and length are different due to market requirements.

All products are always produced according to the required local standards which is certified through the Holzforschung Austria as an independent timber testing lab. Surface and edge are showing slight differences in it's shape. Besides the different standards required by the markets, major differences can be seen in the grade of the timber itself.

Timber produced for the Australian Market from Egger sawmill includes a visual grading for characteristic of the timber which can't be graded by the machine. These characteristics are in particular: wane, want, twist, bow, spring, shakes and end splits, bark and pitch pockets, insect damage, mechanical damage (hit & miss), discolouration (blue stain, red streak)

All timber sold to the various markets has a different visual grading rule according to the requirements in the standards. [Confidential – Product details]

European Standard differ from Australian Standards due to the difference in the construction method in the various countries. [Confidential – Product details] (see also APPENDIX C.2 Products & Product code).

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

See APPENDIX C-4 Pictures

LE VERSION 20

# Section D Domestic sales

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

<u>All</u> domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data <u>and</u> you are unable to provide the complete listing electronically you <u>must</u> contact the case officer <u>before</u> completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.

Customs and Border Protection will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –

you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.

## D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
  - information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

[Confidential - Product / Distribution details]

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

## **PUBLIC FILE VERSION**

Sales to the industrial customers and wholesales businesses are negotiated for timber sales on either monthly or quarterly bases between the sales manager from Egger Sägewerk Brilon and the purchasing Manager from our customer.

Sales to Retail business are based on a price list given to the area sales managers, who then sell full truck loads with various timber products to the clients, [Confidential – Sales details]

## D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

## If sales are in accordance with price lists, provide copies of the price lists.

As mentioned in D-2 contracts for industrial customers are negotiated on individual base per month or quarter. Prices, volumes, sizes etc. are fixed per contact and then supplied accordingly over the contract period. After shipment of goods the invoice incl. all other documents is sent to the customer. Payment is received via TT into Egger Sägewerk accounts. For Retail customers a valid price list is in place. Customer would advise the responsible Sales representative or internal sales for a new order via phone or fax. Goods are shipped out of the sawmills yard and invoice is sent to the client the following day.

In order to optimize transport cost and also CO2 emissions, customer sometimes pick up the goods as some of them have their own fleet of trucks. Prices for FCA and CPT are in place.

## See APPENDIX D-3 - Price list

# D-4 Prepare a spreadsheet named "domestic sales" listing all sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type of the goods
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have

ME\_94683207\_2 (W2003)

22

	shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice in the currency of sale, net of taxes.
Discounts on the	the amount of any discount deducted on the invoice on each
Invoice	transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the Invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Costs marked with \* are explained in section E-2.

## See Attachment D-4: Domestic sales

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

Nil

- D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:
  - provide a description; and
  - explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has not been reported as a discount or rebate.

[Confidential - Invoice details] Attachment D-4.

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

Customs and Border Protection will select additional sales for verification at the time of our visit.

SEE APPENDIX D-7 - DOMESTIC SALES DOCUMENTS

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## Section E Fair comparison

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. Customs and Border Protection must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence Customs and Border Protection may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. Customs and Border Protection will not consider new claims made after the verification visit.

#### E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

#### 1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("Inland transportation costs"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item. provide details and evidence of payment.

The amount of inland transportation is calculated on the average costs per container per month for the transport to the port of shipping (Hamburg, Germany). In our accounting system we have a consolidated account FREIGHT including inland transportation costs, ocean freight and Terminal Handling Charges & Port Service Charges (THC/PSC).

(General ledger account: [Confidential - Account details]).

#### 2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified ("Handling, loading & ancillary expenses"). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item. provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling:
- wharfage and other port charges; container taxes:
- document fees and customs brokers fees;
- clearance fees:
- bank charges, letter of credit fees
- other ancillary charges.

Handling & other includes Terminal Handling Charges and Port Service Charges (THC/PSC) at loading port, ISPS fee, container taxes and document fees. These costs are included in the consolidated account FREIGHT.

## 3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if export prices are influenced by this longer or shorter period, calculate the average number of collection days.

Please find attached the 1 month EURIBOR rates (end of month) for each month of the investigation period. The rate is the applicable interest rate for short term funding in EUR.

1 M- EURI BOR in %	Month
0,429	Mai 2010
0,485	Jun 2010
0,645	Jul 2010
0,622	Aug 2010
0,625	Sep 2010
0,847	Okt 2010
0,81	Nov 2010
0,782	Dez 2010
0,895	Jän 2011
0,867	Feb 2011
0,968	Mär 2011
1,237	Apr 2011
1,228	Mai 2011
1,325	Jun 2011

[Confidential - Payment term details].

## 4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'Packing'.

The packing costs include material costs for foil and costs for underlays, which are manufactured in-house and based on production costs.

Packing method differs only slightly from the domestic market. Each package is wrapped in foil and fitted with underlay.

## 5. Commissions

## **PUBLIC FILE VERSION**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "Commissions". Identify the general ledger account where the expense is located.

[Confidential -Account details]

6. Warranties, guarantees, and after sales services List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("Warranty & guarantee expenses" and "Technical assistance & other services"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

During the investigation period no expenses were incurred concerning claims for payment for warranties, guarantees or any other services.

### 7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "Other factors". For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

NIL

## 8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Any currency conversions are based on daily updated exchange rates in our accounting system (cf. B-4 Australian sales).

28

## E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, "domestic sales")

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

#### 1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

There are no differences affecting cost.

#### 2. import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia:

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

in substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold domestically but is not borne by the exports to Australia;

## Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: "Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs"

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

Domestic indirect taxes are excluded from Attachment D.4.

## 3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

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A real difference in level of trade (may be adjusted for using either of the following methods:

(a) costs arising from different functions: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods:
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

level discount: the amount of the discount granted to purchasers who (b) are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

There were no level of trade differences during the investigation period

## Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made: or

## PUBLIC FILE VERSION

such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system<sup>1</sup>, the average credit period may be determined as follows:

#### 1 Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

#### 2. Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

See spreadsheet D-4 Domestic sales

The following items are identified in the amounts quantified at question D-4:

<sup>&</sup>lt;sup>1</sup> Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

32



## 5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales ("Inland transportation Costs"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Inland transportation costs reported at question D-4 are quantified on the amount actually paid to the transportation company. General ledger account: [Confidential – Account Details]).

## 6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified ("Handling, loading and ancillary Expenses"). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

Handling and other costs are included in the inland transportation costs. In our accounting system we have a consolidated account FREIGHT.

## 7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed "Packing".

The packing costs include material costs for foil and costs for underlays, which are manufactured in-house and based on production costs.

Packing method differs only slightly from the export product. Each package is wrapped in foil and fitted with underlay.

## 8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed "Commissions". Identify the general ledger account where the expense is located.

There are no commissions paid in relation to the domestic sales.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("Warranty & Guarantee expenses" and "Technical assistance & other services"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

During the investigation period no expenses incurred concerning claims for payment for warranties, guarantees or any other services.

### 10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "Other factors". List the factors and show how each has been quantified in per unit terms. For example:

- inventory carrying cost: describe how the products are stored prior to sale and show data relating to the average length of time in inventory.
   Indicate the interest rate used:
- warehousing expense: an expense incurred at the distribution point;
- royalty and patent fees: describe each payment as a result of production or sale, including the key terms of the agreement;
- advertising; and
- bad debt.

NIL

## E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

### For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

34

83

# Section F Export sales to countries other than Australia (third country sales)

Your response to this part of the questionnaire may be used by Customs and Border Protection to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. Customs and Border Protection may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	Name of the country that you exported like
	goods to over the investigation period.
Number of customers	The number of different customers that your
	company has sold like goods to in the third
	country over the investigation period.
Level of trade	The level of trade that you export like goods to in
	the third country.
Quantity	Indicate quantity, in units, exported to the third
	country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third
L	country over the investigation period
Currency	Currency in which you have expressed data in
L.,	column SALES
Payment terms	Typical payment terms with customer(s) in the
	country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third
	country eg CiF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

See ATTACHMENT F-1: Third Country

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

[Confidential - Product & Distribution details]

## **PUBLIC FILE VERSION**

## **SECTION G** COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

testing the profitability of sales of like goods on the domestic market;

- determining a constructed normal value of the Goods Under Consideration (the goods) - ie of the goods exported to Australia; and
- making certain adjustments to the normal value.

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

## G-1. Production process and capacity

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

Please see APPENDIX G-1 - Production process

The numbers in [] refer to the graphic in the appendix.

36

1. Log Yard / Log sorting / Debarking [70]

At the log yard logs with a length of 6 to 20 m long logs or 3 to 5m short logs can be processed and stocked. All logs are debarked and measured by a calibrated 3D measuring system and sorted in boxes. The long logs are cut into 3 to 5,4 meter length. This process also produces the by-products bark, log trim-offs and brown chips.

2. Sawmill [71]

In the sawmill the debarked logs ranging from 3 to 5,4 m in length and from 12 to 55 cm diameter are cut. The sawn timber is then graded and sorted in two high-performance sorting lines. This manufacturing process also produces the by-products sawdust and wood chips.

3. Drying chambers [72]

20 chambers are able to dry the sawn timber. The thermal energy required for the drying process is obtained from the on site power station.

4. Planing mill / planing and garding line [73]

At the planing and grading line the kiln dried timber can be graded or further processed into planed timber and packaged. In addition the kiln dried and planed timber can be endtrimmed / PET (precision endtrimmed). By-product in this manufacturing process can be shavings and trim-offs.

# G-2. Provide information about your company's total production in the following table:

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A Production capacity (eg kg, tonnes)*			-
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

<sup>\*</sup> rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming, normal levels of maintenance and repair, a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "Production".

Please see ATTACHMENT G -2: Production

## G-3. Cost accounting practices

 Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

[Confidential - Accounting details]

37

Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

[Confidential - Accounting details]

3 Provide details of any significant or unusual cost variances that occurred during the investigation period.

[Confidential - Accounting details]

Describe the profit/cost centres in your company's cost accounting system.

[Confidential - Accounting details]

5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

[Confidential – Accounting details]

6 Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

The level of product specificity is product groups.

7 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

[Confidential -Accounting details]

8 State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

During the investigation period there have been no start-up operations in relation to the goods under consideration.

9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation it its accounting records.

The question does not apply.

G-4 Cost to make and sell on domestic market

38

This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>

- Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type\* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
  - \* You should provide separate costs for at least untreated and treated structural timber. Costs should be provided for lower levels of product type if these are normally calculated by your company.

Please see ATTACHMENT G-4.1: Domestic CTMS.

[Confidential - Sales details]

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

[Confidential – Accounting details] method please see G-3 / 4 and in respect to the calculation model Attachment "Calculation model".

please see ATTACHMENT G- 4.2: Cost Calculation Model.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKEGOOD				
Material Costs <sup>1</sup>				
Direct Labour				
Manufacturing Overheads				
Other Costs <sup>2</sup>				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses <sup>3</sup>				
Other Costs <sup>3</sup>	·			
Unit Cost to Make and Sell				

<sup>&</sup>lt;sup>2</sup> Customs applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1. ME, 94681207, 2 (W2003)

#### Prepare this information in a spreadsheet named "Domestic CTMS".

<sup>1</sup> Identify each cost separately, include indirect material costs as a separate item only if not included in manufacturing overheads.

<sup>2</sup> Relating to costs of production only; identify each cost separately.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

<sup>&</sup>lt;sup>3</sup> Identify each cost separately. Please ensure non-operating expenses that relate to the goods under consideration are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

40

# G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spreadsheet LIKEGOOD				
Material Costs <sup>1</sup>				
Direct Labour				
Manufacturing Overheads				
Other Costs <sup>2</sup>				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses <sup>3</sup>				
Other Costs <sup>3</sup>				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "Australian CTMS".

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Please see ATTACHMENT G-5: Australian CTMS.

<sup>&</sup>lt;sup>1</sup> Identify each cost separately, include indirect material costs as a separate item only if not included in manufacturing overheads.

Relating to costs of production only; identify each cost separately.

Identify each cost separately. Please ensure non-operating expenses that relate to the goods are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

41

#### PUBLIC FILE VERSION

 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

As goods sold to the domestic market and the goods sold for export are within the same product group in respect to the level of production and the profit center accounting there are no costs differences apart from transport costs.

2 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

[Confidential - Accounting details]

3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

[Confidential - Accounting details]

#### G-6 Major raw material costs

List major raw material costs, which individually account for <u>10% or more</u> of the total production cost.

For these major inputs:

- Identify materials sourced in-house and from associated entities:
- · identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company Customs and Border Protection will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Customs Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

42

## **PUBLIC FILE VERSION**

<u>Important note:</u> If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

Wood is our only natural resource and accounts for the major part of total production costs. Our raw material suppliers for logs are external suppliers that are not in direct relationship with Egger. Therefore the valuation of our raw material is based on actual purchasing prices. The main species purchased is European whitewood (picea abies) from sustainable managed forests. A full list of our suppliers can be provided if necessary at the verification visit.

#### SECTION H EXPORTER'S DECLARATION

thereby declare that. If the second support the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name Å	NDESOS.	KELLER	GK.		
Signature ://	1 Lance	the day		4	
Position in	MALERINA D	INSCORE S	ALIS		
Company :	egger 30	يل الجيريبردين وي	silve Sa	de Alexander	
. Dat	ל איזיובר איני	Crioken	2011		

# SECTION I

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – general information	
Section B – export price	
Section C - like goods	
Section D – domestic price	
Section E - fair comparison	
Section F – exports to third countries	
Section G – costing information	
Section H – declaration	

Electronic Data	Please tick if
ATTACHMENTS	provided spreadsheet
A.5 - INCOME STATEMENT	
A.6 - TURNOVER – sales summary	
B.4 - AUSTRALIAN SALES – list of sales to Australia	
D.4 - DOMESTIC SALES – list of all domestic sales of like goods	
F.1 - THIRD COUNTRY - third country sales	
G.2 - PRODUCTION - production figures	
G.4.1 - DOMESTIC COSTS – costs of goods sold domestically	
G.4.2 - COST CALCULATION MODEL	
G.5 - AUSTRALIAN COSTS – costs of goods sold to Australia	
APPENDICES	
A-3.9 Organisation Chart	
A-3.10 Brochures	
A-4.3 (a) Chart of Accounts	
A-4.3 (b) Consolidated / Interim Accounts	
A-4.3 (c) Consolidated Accounts: Brilon site	
A-4.3 (d) Management Accounts	
B-2(g) Forward Orders	
B-9 Export Sales Documents	
C-2 Products & Product Codes	
C-4 Pictures	
D-3 Price List	
D-7 Domestic Sales Documents	1
G-1 Production Process	

PUBLIC FILE

E EGGER

MORE FROM WOOD.







# **CONTENTS**

- 04 IN THE HEART OF EUROPE The sawmill in Briton
- 06 THE SITE Dimensions
- 08 PRODUCTION AND LOGISTICS State-of-the-art technology
- 11 EXPLOITING SYNERGIES Advantages of a fully integrated site
- 13 PRODUCTS AND APPLICATIONS Timber for various end uses
- 14 RAW MATERIAL Commitment to sustainability
- 17 QUALITY, RELIABILITY AND FLEXIBILITY Highest standards at all times
- 18 RESPONSIBILITY FOR PEOPLE AND THE ENVIRONMENT Close to nature
- 19 PRODUCTION SITES EGGER in Europe









#### EGGER SAWMILL IN BRILON

With EGGER, a family owned company returns to its roots by opening a sawmill in Brilon. The EGGER success story dates back to fifty years ago when Fritz Egger Senior established a sawmill in St. Johann in Tirol, Austria. Producing its first chipboard in 1961, EGGER has become a leading producer of wood-based materials in Europe.

The EGGER group has 16 plants in seven countries with sales offices located in major industrial countries and a learn of more than 5,800 staff. EGGER's product range comprises of chipboards, MDF and OSB board, as well as value added products such as coated boards, post and soft forming elements, furniture components, laminates, edgings and laminate flooring.

The company's development has been shaped by the pioneering spirit of a family business. EGGER has become a leading brand for wood based products through innovative products and values such as responsibility, reliability and independence.

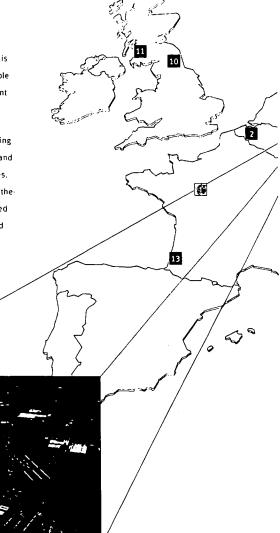
At EGGER we believe in providing our staff with the necessary skills and knowledge through in-house training and continuous education.

# IN THE HEART OF EUROPE

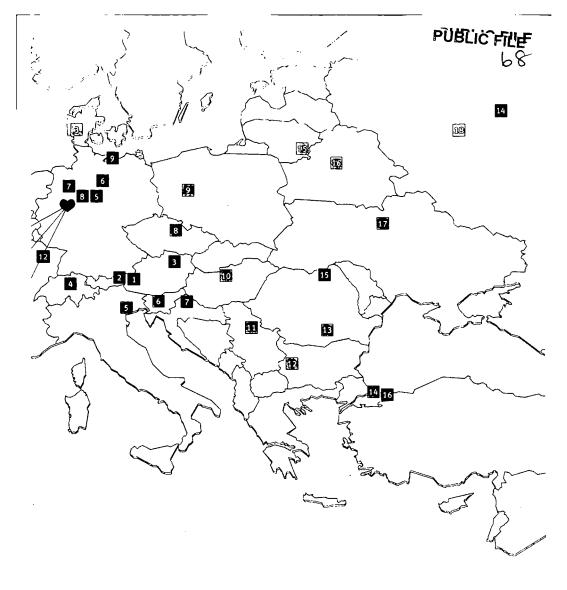
Located in the heart of Europe, Brilon is surrounded by vast areas of sustainable managed forests providing an excellent location for the sawmill.

The site is fully integrated in the existing production of wood-based materials and enables us to exploit various synergies.

Our sawmill is equipped with state-of-theart machinery and efficiently organized logistics operations utilising road and rail links.



BRILON DE



#### PRODUCTION SITES

- 1 ST JOHANN / TIROL AT
- 2 WORGL AT 3 UNTERRADUBERG AT
- BRILON DE
- 5 BEVERN DE

- 6 GIFHORN DE
- 7 BUNDE DE
- 8 MARIENMUNSTER DE
- 9 WISMAR DE
- 10 HEXHAM UK
- 11 BARONY UK
- 12 RAMBERVILLERS FR
- 13 RION DES LANDES FR
- 14 SHUYA RU
- 15 RÁDÁUTI RO
- 16 GEBZE TR

# SALES OFFICES

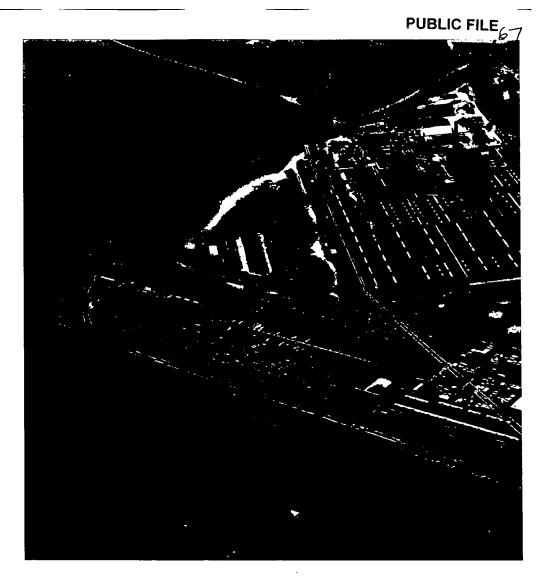
- 1 TOURS FR 9 POZNAN PL
- 2 ZULTE BE
- 3 TISTRUP DK
- 4 KRIENS CH
- 5 UDINE IT
- 6 SENCUR SI
- 7 VARAŽDIN HR
- 8 HRADEC KRÁLOVÉ CZ 16 MINSK BY
- 17 KIEV UA
- 18 MOSCOW RU
- 19 SHANCHAL CN
- 20 TOKYO JP
- 21 NEW DELFT IN
- 15 VILNIUS LT
- 14 ISTANBUL TR

10 BUDAPEST HU

12 SOFIA BG

11 SMEDEREVO RS

13 BUCUREȘTI RO



# THE SITE

The sawmill is built on 925 × 215 m and is located adjacent to the wood-based materials production site, increasing the area by 200,000 m<sup>2</sup> to its new total size of 570,000 m<sup>2</sup>.



# PUBLIC FILE

#### THE SAWMILL

#### **II** LOG YARD

The log yard occupies an area of five hectares, providing a storage capacity of around 80.000 cubic metres of logs. Logs with a length of 6 to 20 m or 3 to 5 m can be processed and stocked in this yard. All logs are measured by a calibrated 3D measuring system at a feed speed of up to 150 m/min.

#### 2 SAWMILL

The sawmill is capable of cutting logs ranging from 3 to 5 m in length and from 12 to 55 cm in diameter. The maximum feed speed is 170 m/min which results in an average output of 1,300 cubic metres of logs per shift. The sawn timber is then graded and sorted in two high-performance sorting lines. The maximum intake achieved by each sorting line is 220 pieces per minute.

#### TIMBER YARD

#### DRYING CHAMBERS

With 20 chambers we are able to dry 360,000 m³ per year. The thermal energy required for the drying process is obtained from the existing on site power station.

#### **PLANING MILL**

The timber can be further processed in a high-performance planer line with a maximum feed speed of 600 m/min and cut to lengths ranging from 1.8 m to 5 in.

#### **STORAGE FACILITY**

The finished product is stored in a 40,000 m² outside area or in a 15,000 m² under-cover area. The timber is shipped from here to anywhere in the world via road, rail or container.



LEOPOLD ATS CHREITER MANAGING DIRECTOR PRODUCTION

\*OUR SAWMILL AT BRILON ENABLES US
TO EXPLOIT THE FULL POTENTIAL OF THE
SYNERGIES AVAILABLE FROM THE EXISTING
CHIPBOARD AND MDF PLANT. INNOVATIVE
SAWING TECHNOLOGIES GUARANTEE US
AND OUR PARTNERS ADDITIONAL BENEFITS.\*



## PRODUCTION OF WOOD-BASED MATERIALS

#### Supply facilities

- Central energy station / power station
- Administration building
- Maintenance

#### Production facilities

- 10 Chipboard production
- MDF production
- 12 Impregnation
- Coating lines
- DPR flooring, direct print and finishing
- IS Flooring dispatch warehouse

#### Logistics lines

: Rail



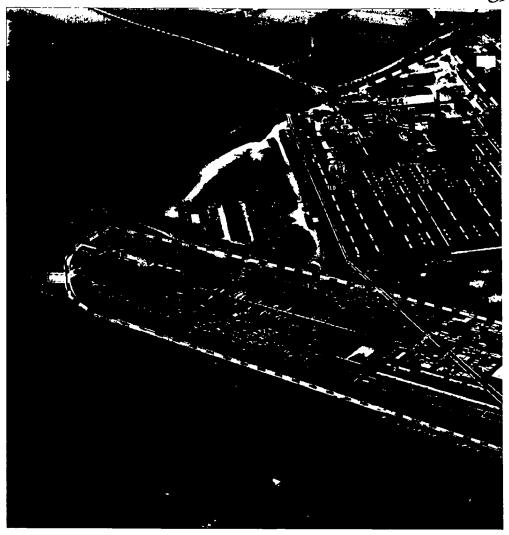
AA Conveyor belt for by-products from sawmill and planing mill

District heating



THOMAS ABRELL LOGISTICS MANAGER AT THE BRILOIS PLANT

»THIS SAWMILL HAS BEEN DESIGNED WITH INTEGRATED SUPPLY AND LOGISTICS STRUCTURES WHICH DELIVER SUSTAINABLE ADVANTAGES FOR THE ENTIRE PROCESS CHAIN. WE HAVE A DIRECT LINK TO THE RAILWAY NETWORK, THUS OPENING UP **ENVIRONMENTALLY FRIENDLY TRANS-**PORTATION AND SUPPLY STRUCTURES.«

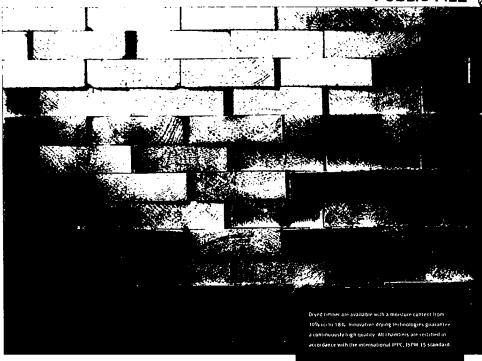


# **EXPLOITING SYNERGIES**

A large number of synergies are created by the full integration of the sawmill into the existing production facility. One particular advantage of being located next to a sawmill is being able to easily access their by-products to produce the chipboards and MDF boards.



In exchange, the sawmill receives thermal energy from the company's own combined heat and power plant. Synergies also result from the internal and external logistics as well as the shared use of maintenance and administrative resources. Ultimately, this all translates to benefit our customers through high quality products and efficient order processing.



Further we are able to offer machine strength gruded and planed timber



UWE-JENS PAULSEN SALES DIRECTOR

\*TOP QUALITY, RELIABILITY AND EFFICIENT LOGISTICS FORM AN ESSENTIAL PART OF THE PARTNERSHIP WITH OUR CUSTOMERS. AS WE PRODUCE AROUND 800,000 CUBIC METERS OF LOGS PER YEAR. WE CAN MEET OUR CLIENTS' REQUIREMENTS WITH GREAT FLEXIBILITY.\*



# PRODUCTS AND APPLICATIONS



ANDREAS REITERER MANAGING DIRECTOR SALES

\*OUR TIMBER IS SOLD WORLDWIDE AND USED IN A VARIETY OF APPLICATIONS. EGGER'S WORKFORCE HAS MANY YEARS OF EXPERIENCE IN THE WOOD INDUSTRY WHICH ENSURES THAT THE ENTIRE PROCESS, FROM PURCHASING THE RAW MATERIAL TO THE DELIVERY OF THE TIMBER, IS HANDLED IN THE MOST EFFICIENT WAY, FURTHERMORE, WE ARE ESPECIALLY KEEN TO DEVELOP LONG-TERM PARTINESSHIPS WITH OUR CUSTOMERS.\*

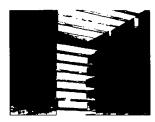
Our timber is used in many applications ranging from timber construction, pre-fabricated houses. further processing and building industries as well as the DIY market and packaging industries.

Our high quality requirements for the finished products are as important to us as reliability and flexibility.

Our timber products fulfill all international quality requirements.

In Europe we offer CE marked visual and machine strength graded timber.

Further certifications are available, for example for the australian and north american market. Currently we offer for those markets all usual dimensions machine strength graded timber in MGP 10/12/15 or visual graded timber No. 28 Btr.







# PUBLIC FILE 59

# **RAW MATERIAL**



The EGGER sawmitt in Briton meets its raw material requirements with softwood.

The main species processed is European whitewood (Picea abies) from sustainable managed forests in North-Rhine Westphalia, Hessen and Lower Saxony.





\*WE ARE ABLE TO BUY SAW LOGS AS WELL AS INDUSTRIAL WOOD. WE ARE GOING TO PURCHASE THE FULL RANGE OF PRODUCTS FROM THE FORESTRY OWNERS. THIS OFFERS ADVANTAGES TO THE SUPPLIERS AND OPENS UP NEW WAYS OF OPTIMISING THE PUR-CHASING PROCESS OF RAW MATERIAL \*

BERTRAM CRAMER GROUP WOOD PURCHASING MANAGER

We use wood as a raw material in a responsible manner, with a keen awareness of the environmental issues involved.

Our committed wood purchasing team ensures constant supply of quality logs in the required dimensions.

EGGER partners in forestry operations and trading companies also benefit from the close relationship to the wood-based materials production facility when supplying saw logs to the mill.

Any waste wood and thinnings produced by the forestry departments can be utilised.



-JBLIC FILE 57









# QUALITY, RELIABILITY AND FLEXIBILITY



JOHANNA MORAW QUALITY MANAGEP

\*WE MONITOR PRODUCTION CONSTANTLY
AND CONDUCT STRINGENT CONTROLS OF
THE FINISHED PRODUCT: IN THIS WAY WE
CAN ENSURE THAT WE ARE SUPPLYING
OUR CUSTOMERS WITH HIGH-QUALITY
PRODUCTS.\*

As the leading brand for wood based products in Europe, EGGER stands by our motto: 'Creating more from wood'.

By setting up a sawmill in Briton, EGGER has succeeded in advancing this mission statement a further stage in the value added chain.

State-of-the art production plants form the basis of our customer and market oriented timber production.

With special market certifications we fullfil the customer and market specific requirements.

To ensure the country specific quality standards we work closed together with accredited institutions in the market.

\*AS WITH ALL OUR PRODUCTS, OUR SAWMILL PRODUCTS STAND FOR RELIABILITY, HIGH QUALITY AND TECHNICAL EXPERTISE COMBINED WITH EXPERT ADVICE. ALL OUR PRODUCTS ARE MANUFACTURED TO OUR CUSTOMERS' REQUIREMENTS AND THEIR MARKETS AND ARE CERTIFIED ACCORDINGLY.\*



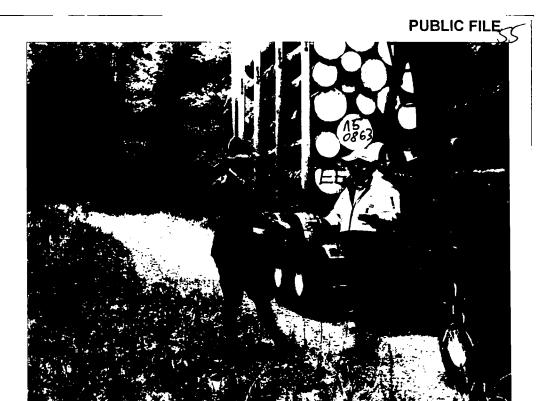
DICHAEL SCHELLER PRODUCT MANAGER





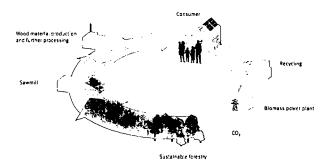






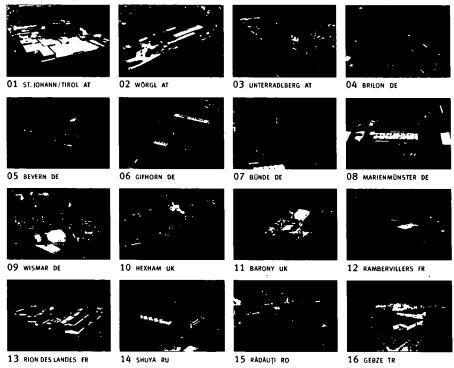
# RESPONSIBILITY FOR PEOPLE AND THE ENVIRONMENT

Egger recognises the **importance of responsible environmental conduct** and always makes it a priority in our practices. From the initial stages of obtaining the raw material through to the utilisation of our energy efficient processing methods and energy generation to the transportation of the finished goods, we always take the well being of the people and environment into consideration.

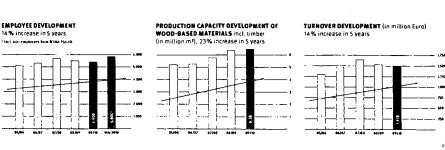


# **PRODUCTION SITES**

With a total of 16 plants, EGGER ranks amongst the leading producers of wood-based materials in Europe.



# THE EGGER GROUP: SUCCESS IN FIGURES



Up to 70% of the Hochsauerland region is covered by vast forests. 
Fillon and its surrounding are amongst the most densely forested regions in Germany. The quality of the raw material and the close connection between the people and wood make Brilon an ideal location for our sawmill.



#### EGGER Sägewerk

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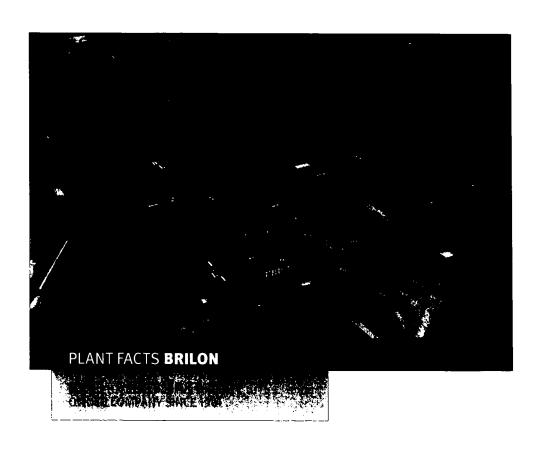
F+49 2961 770 - 230 Info-esb@egger.com FRITZ EGGER GmbH & Co. OG

Holzwerkstoffe Weiberndorf 20 6380 St. Johann in Tirol Austria 1 + 43 50 600 • 0

F +43 50 600 - 10111 info-sjo@egger.com

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MORE FROM WOOD.



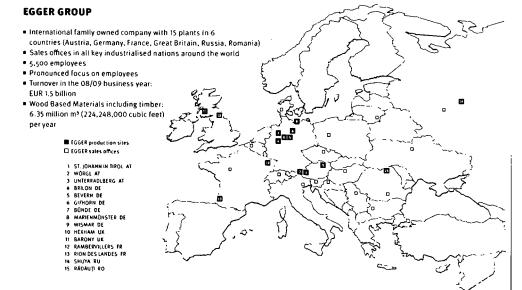




#### **EGGER IN BRILON**

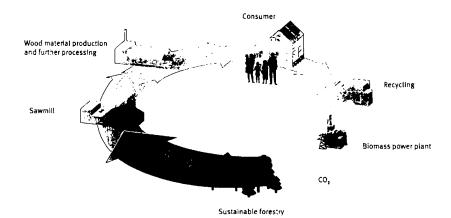
- 1989: Start of construction of the chipboard plant (Greenfield)
- 1990: Commissioning of the first EGGER chipboard plant in Germany
- 1994: Start of construction of the MDF/HDF plant
- 1996: Commissioning of the first EGGER MDF/HDF plant in Germany
- 2006: Start of production of the DPR line for direct print flooring 8 modification of the MDF/HDF line to increase production capacities
- 2007: Start of construction of the first sawmill within the EGGER group
- 2008: Commissioning of the sawmill
- 2010: Modernisation of the chipboard plant
- 2010; Approx. 1000 employees
- Premises: abt. 570,000 m² (equal to 80 football fields)
- Investment: EUR 450 million and EUR 50 million environmental projects

- Annual Production capacity: 570,000 m³ raw chipboards \* 30 million m² melamine faced chipboards \* 220,000 m³ MDF/HDF • 30 million m² laminate flooring \* 520,000 m³ 5awn timber • 380,000 m³ planed timber
- per annum a total of 62500 truck loads and 1000 railway wagons
  of raw material are delivered to the sawmill, the panel
  production and the power station.
- Almost 100% of the rawmaterial originates from within a radius of 200 km
- Sales and Distribution:
   Panel Products: 70 % national, 30 % international
   Laminate Flooring: 40 % national, 60 % international
   Sawmill: More than 30 countries worldwide are supplied
   with EGGER timber products
- about 4.3 km railway network on site
- a 1.600 m conveyor belt delivers chips and sawdust directly from the sawmill to the panel production





#### FROM THE TREE TO THE PRODUCT - A CLOSED CYCLE



#### **COMBINED HEAT AND POWER PLANT**

- 2 biomass boilers to generate heat and power
- Combustion heat performance: 150 MW
- Steam generating capacity: 165 t/h
- Power generation with 2 steam turbines: 20 MW
- · Generation of heat for all production areas in the plant
- 3 gas turbines in a combined heat and power plant to generate power and heat for the MDF fiber drier
- Combustion heat performance: 50 MW
- Heat generation: 15 MW



#### SYNERGIES

Briton is the first fully integrated location owned by the EGGER group using numerous synergies. The residues from the sawmill are fed directly to the chipboards and MDF production.

On the other hand the sawmill is supplied with thermal energy from the company's own combined heat and power plant.

All production areas benefit from the centralized internal logistic.

# ENVIRONMENT & SUSTAINABILITY AT EGGER MEANS

- The use of wood from sustainable forestry (PEFC, FSC)
- 3.6 million tons of CO<sub>2</sub> are bound in EGGER materials every year
- Environmental product declarations
- Environmentally friendly logistic systems

#### EGGER production sites

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Österreich

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000 "EGGER Drevprodukt"

info-urb@egger.com EGGER Holzwerkstoffe Briton

EGGER Beschichtungswerk Marienmünster GmbH & Co. KG Gewerbegebiet 4 . 37696 Marienmunster-Vorden

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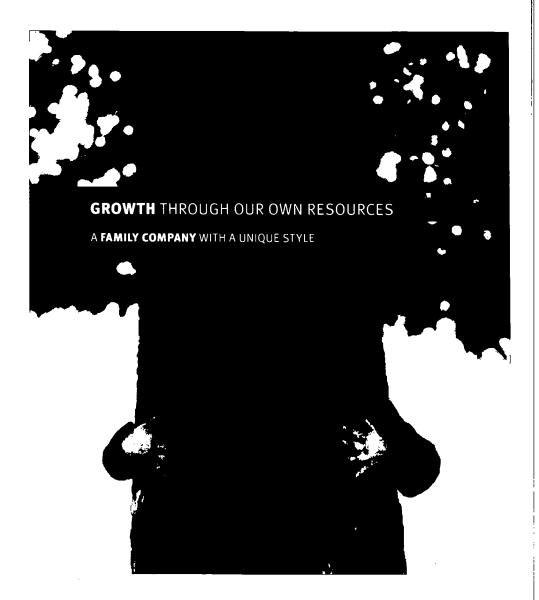
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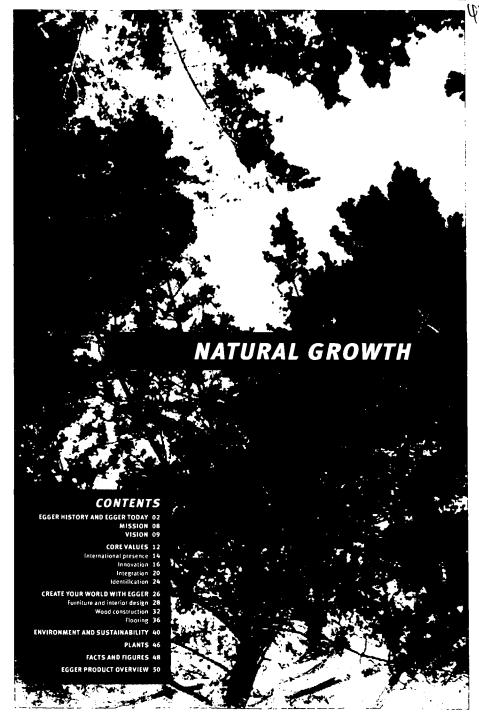
# www.egger.com

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MORE FROM WOOD.

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FIFELAP

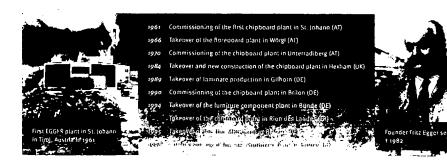
DEEP ROOTS

PUBLIC FILE:

1966

1961

\_\_1970



PUBLIC FILE

**1990** 

\_\_1984

\_1989

Cooling star rotating unit in Radaun (RO)

Commissioning of EGGR's "Ferope Plant" in Wismar (DE)

Lakeover of the lamination plant in Marienmünster (DF)

2000 Lakeover of the chipboard plant in Rambervillers (FR)

2007 Complete rebuilding and extension of the chipboard plant in Unterradiberg (AI)

2008 Commissioning of the chipboard plant in Shuya (RU)

2006 Production faunch of EUROLIGHT® lightweight boards in St. Johann (AT)

Briddlefor laught of direct print DFR® flooring in Billion (DE)

2007 Exabising direct print DFR® flooring in Billion (DE)

2008 Exabising directions and the College of the C

\_\_2006

\_\_2002
\_\_1998
 \_\_2007
\_\_2000
 \_\_2010
\_\_1994
 \_\_2009
\_\_201
\_\_1999
 \_\_2008
\_\_1995
\_\_2005



2008 Start of chipboard production in Radauti (RO)

Commissioning of the group's first sawmill in Briton (DE)

2009 Completion of the energy and environmental project in St. Johann (AT)

Expansion and modernisation of the Rion des Landes plant (FR)

2010 Commissioning of the digital printing line in Briton (DE)

Start of construction and completion of the administrative building and start

of construction on the resin plant in Radauti (RO)

hakeover of the edging manufacturer Roma Plastik (TR)

Start of constitution on the OSB plant in Raggetti (RO)

tart or consuler tarii dilatin dee plant tiricagaeti (ko)

OUR VALUES

ARE DYNAMISM. LOYALTY. RESPONSIBILITY AND TRUST AND THE PRESERVA-TION OF THE PIONEERING SPIRIT AS A FAMILY RUN EGGER GROUP. WE ACHIEVE SUSTAINABLE INTERNA-TIONAL GROWTH BASED ON OUR OWN PERFORMANCE AND BY PRESERVING OUR INDEPENDENCE, WE PROVIDE OUR CUSTOMERS WITH INNOVATIVE SOLUTIONS AND MARKET-ORIENTED PRODUCTS AND SERVICES BASED ON A NATURAL AND RENEWABLE MATERIAL - WOOD. CREATING MORE FROM WOOD. OUR VALUES ARE DYNAMISM, LOYALTY, RESPONSIBILITY AND TRUST AND THE PRESERVATION OF THE PIONEERING SPIR-IT AS A FAMILY RUN EGGER GROUP. WE ACHIEVE SUSTAINABLE INTER-NATIONAL GROWTH BASED ON OUR OWN PERFORMANCE AND BY PRESERVING OUR INDEPENDENCE. WE PROVIDE OUR CUSTOMERS WITH INNOVATIVE SOLUTIONS AND MARKET-ORIENTED PRODUCTS AND SERVICES BASED ON A NATURAL AND RENEWABLE MATERIAL - WOOD. CREATING MORE FROM WOOD. OUR VALUES ARE DYNAMISM, LOYALTY, RESPONSIBILITY AND TRUST AND THE PRESERVATION OF THE PIONEERING SPIRIT AS A FAMILY RUN EGGER GROUP. WE ACHIEVE SUSTAINABLE INTERNATIONAL GROWTH BASED ON OUR OWN PERFORMANCE AND BY PRESERVING OUR INDEPENDENCE. WE PROVIDE OUR CUSTOMERS WITH INNOVATIVE SOLUTIONS AND MARKET-ORIENTED PRODUCTS AND SERVICES BASED ON A NATURAL AND RENEWABLE MATERIAL - WOOD. CREATING MORE FROM WOOD. OUR VALUES ARE DYNAMISM. L LOYALTY, RESPONSIBILITY AND TRUST AND OF THE PIONEERING SPIRIT AS A FAMILY

OUR

BASED ON OUR OWN **PERFORMANCE** AND BY PRESERVING INDEPENDENCE WE PROVIDEOUR CUSTOMERS WITH INNOVA-TIVE SOLUTIO: NS AND MAR-KET-ORIENT-ED PRODUCTS **AND SERVICES** BASED ON A NATURAL AND RENEWABLE MATERIAL -WOOD, CREA-TING MORE FROM WOOD. OUR VALUES ARE DYNAM-ISM, LOYALTY, RESPONSIBILITY AND TRUST THE AND PRESER-VATION OF THE PIONEERING AS **EGGER** 

RUN EGGER GROUP. WE ACHIEVE SUSTAINABLE INTERNATIONAL GROWTH

SPIRIT FAMILY RUN GROUP. EGG ER QU ΑL П **EGGER PROGRESS** RES PECT EG G ER QUALITY PRO GR ES PRO **EGGER** EGG ER RESPECT GRESS EG G Ε



# Creating more from wood ...





» ... HAS BEEN OUR MISSION SINCE OUR FATHER FRITZ EGGER SENIOR LAID THE CORNERSTONE FOR THE EGGER GROUP IN 1961 WITH THE FIRST CHIPBOARD PLANT IN ST. JOHANN, TIROL. IN THE MEANTIME, EGGER HAS GROWN TO 17 PLANTS IN SEVEN COUNTRIES WITH 6.500 EMPLOYEES. «

employees.

As owners we have the incentive, motivation and obligation to continuously develop the EGGER Group and thereby make progress for our customers, partners and

We want to remain independent as a family company. That is why we count on sustainable international growth based on our own performance.

Our employees are key to our success. Their knowledge and experience make the decisive difference in keeping us competitive.

EGGER stands for quality in all aspects, for personal cooperation based on partnership and progress. We will ensure that things will stay this way for a long time.









#### » TO BE EUROPE'S LEADING BRAND FOR WOOD BASED SOLUTIONS – THIS VISION IS THE GUIDING PRINCIPLE OF OUR ACTIONS «

Our values as an independent family company form the foundation for the ongoing further development of our brand. Quality, respect and progress form the basis for working successfully with our employees and partners. From the natural resource wood, we create high-quality products and solutions found in many aspects of everyday life:

for example, worktops or doors in

the kitchen, tables or cabinets at

home or at the office, laminate flooring for homes and businesses and structural elements in wood construction. Our products are as diverse as our customers. We provide our complete range of products and services for the wood processing trade through a comprehensive network of distributors. We create solutions for challenging projects through shared dialogue with planners and architects.

In the furniture industry, our products and decor developments set the standard for furniture trends. We also supply international DIY groups with products that offer additional benefits for the end consumer.

We are well prepared for the future. We have updated our existing plants with the most modern available technology and have also invested in new plants with a comprehensive investment programme. In doing so, we have created the industrial basis on which we will continue expanding our innovative product spectrum at the highest level.

We are working with all EGGER employees every day, striving to ensure that EGGER remains unique and unmistakeable.

foly like the

Thomas Leissing Ulrich Bühler

Walter Schiegl



St. Johann in Firol is located at the foot of the "Wilden Kaiser" – where the roots of our family company were founded.

To be Europe's leading brand for wood based solutions.

THOMAS LEISSING, ULRICH BÜHLER AND WALTER SCHIEGL ON THE VISION OF THE EGGER GROUP

» EGGER acquired its reputation as an innovative, dynamic company over the course of decades. This begins with our basic materials and extends to the development of innovative materials and to trend-conforming decors and surfaces. We develop more than just products, we create solutions for our customers. «



ULRICH BÜHLER
MANAGEMENT SALES/MARKETING EGGER GROUP

The integration of our partners is very important for us. We build on longterm relationships, both on the supplier side and with our customers. We consistently integrate our partners closely in our processes since this is the only way we arrive at the best solutions for all participants.

Back to our mots: We have been operating our own sawmill in Briton since 2008.



» Openness and transparency towards our employees, the general public and our neighbours are the foundation for Identification with EGGER. The sustainability and environmental compatibility of our raw materials, products and processes are especially important to us. «



WALTER SCHIEGL
MANAGEMENT PRODUCTION/TECHNICAL EGGER GROUP

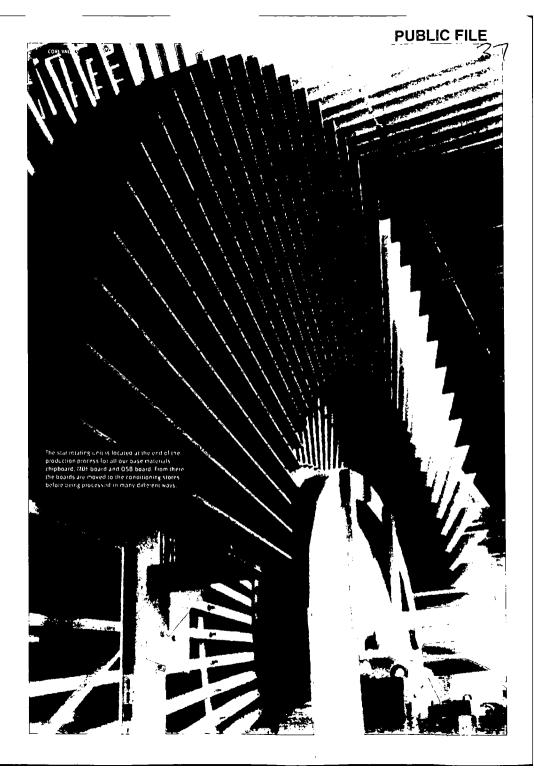
» Our employees are important ambassadors for us — both internally and externally. They are a key success factor for EGGER. That is why we support them with targeted training and continuing education programmes and offer them attractive career opportunities. We engage in long-term thinking and count on many years of employment and experience. We view ourselves as a team that jointly pursues objectives and creates opportunities for the future. «



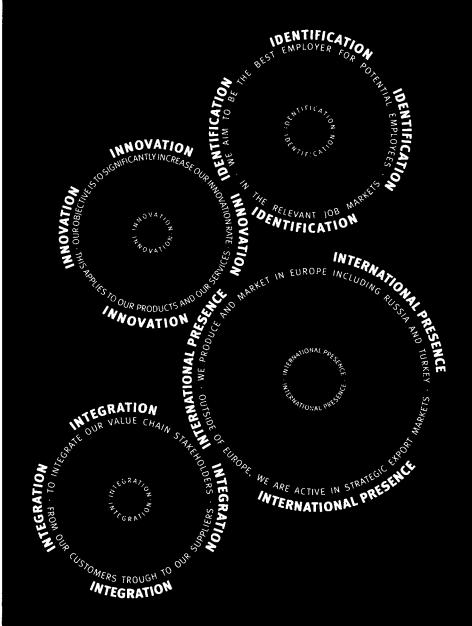
THOMAS LEISSING
MANAGEMENT FINANCE/ADMINISTRATION/LOGISTICS EGGER GROUP.
GROUP MANAGEMENT SPOKESMAN

Radauti is located in North-Eastern Romania and has a modern and environmentally friendly technology.





CORE VALUES





# PUBLIC FILE

#### INTERNATIONAL PRESENCE

WE PRODUCE AND MARKET IN EUROPE, INCLUDING RUSSIA AND TURKEY. OUTSIDE OF EUROPE, WE ARE ACTIVE IN STRATEGIC EXPORT MARKETS AND COOPERATE WITH KEY CUSTOMERS.

#### **INNOVATION**

THE NEW AND FURTHER DEVELOPMENT OF OUR PRODUCTS, PROCESSES AND SERVICES IS PRIMARILY BASED ON CUSTOMER BENEFITS AND FORMS THE BASIS FOR PRODUCTIVITY IMPROVEMENTS AND THEREFORE FOR OUR STATUS AS A LONG-TERM SUPPLY PARTNER.

#### INTEGRATION

TO INTEGRATE OUR VALUE CHAIN STAKEHOLDERS, FROM CUSTOMERS TO SUPPLIERS.

#### **IDENTIFICATION**

WE AIM TO BE THE BEST EMPLOYER IN RELEVANT JOB MARKETS IN WHICH WE OPERATE.





THE OWNERS AND GROUP MANAGEMENT HAVE ESTABLISHED WHAT THE EGGER GROUP STANDS FOR IN OUR CORE VALUES.





#### INTERNATIONAL PRESENCE - EGGER ON SITE

EGGER THINKS INTERNATIONALLY AND ACTS LOCALLY. PROXIMITY TO OUR CUSTOMERS AND OUR RAW MATERIALS IS CRUCIAL.

We are represented in seven European countries with 17 plants. Continuously developing and modernising our plants as well as expanding in existing markets and developing new ones is what drives us. We consider ourselves an internationally operating family enterprise with Tirolese roots focusing its activities in Europe, However, supplying export markets from Asia to Oceania to America is also part of our strategy.

Our logistics take advantage of all available means of transportation -trucks, rail and ships - to secure our raw material supply and always get our products where they are needed quickly.

At EGGER, an international presence simultaneously means regionalism. Our key raw material wood never has to travel more than 250 kilometres to be processed in one of our plants. Short routes ensure speed and sustainability.

#### PRODUCTION SITES

- ST JOHANN IN TIROL AT
- WORGL AT
- INTERPADIRERG AT
- BRILON DE BEVERN DE
- GIFHORN DE
- BUNDE DE
- MARIENMONSTER DE WISMAR DE
- 10 HEXHAM UK
- BARONY UK RAMBERVILLERS FR
- 13 RIGN DES LANDES FR
- 1A SHITYA RIT 15 GAGA®N RU
- ON TURGES
- 17 GEBZE TR

#### SALES OFFICES

- TOURS FR ZULTE BE
- TISTRUP DK
- KRIENS CH
- SENCUR SI
- VARAŽŪIN HR HRADEC KRÁLOVÉ CZ
- POZNAN PL
- BUDAPEST MU
- SMEDEREVO RS
- SOLIA BG
- BUCLREST- RO
- ISTANSUL TR VILLUIS LT
- MINSK BY
- KIEV UA
- MOSCOW RU
- 12 SHANGHAI CN

6,500 EMPLOYEES 1 26 TOKYO IP 21 NEW DELHI IN 22 SANTIAGO DE CHILE CL 17 PLANTS 1 PHILOSOPHY



KLAUS MONHOFF
HEAD OF DECOR MANAGEMENT EGGER GROUP



The 200M collection presents the internationally available products and services of EGGER for architects, fabricators and distributors.

- >



The international collection for distributors, architects and fabricators has been on the market since 2007.

### INNOVATION - OUR SOLUTIONS RESULT IN PROGRESS

KLAUS MONHOFF, HEAD OF DECOR MANAGEMENT AT EGGER, WORKS WITH HIS TEAM ON THE DECOR AND SURFACE TRENDS OF TOMORROW. THEY ALSO ALLOW EXCURSIONS INTO OTHER INDUSTRIES TO INSPIRE THEM. FOR EXAMPLE, THEY DERIVE TRENDS FROM THE AUTOMOBILE, TEXTILE AND FASHION INDUSTRIES AND TRANSFER THEM TO THE WORLD OF FURNITURE AND INTERIOR DESIGN.

Time and time again, we successfully set trends in the furniture industry. The pivot and focal point is always the EGGERZUM in-house exhibition held annually in several plants, where we present current design and decortrends to our customers. It often forms the basis for design ideas of new furniture programmes. At the same time, we receive important feedback which in turn forms the basis for future decor developments.

Surfaces have become very important in the meantime. This is why we follow our guiding principle "Authentic – Design goes natural" and offer a large

selection of perfectly coordinated surfaces that not only make our decors appear authentic and natural but also give them unique character.

Our design efforts are confirmed by internationally renowned design awards - the if design award and the red dot award - which we have received for ZOOM\*, our internationally recognised collection for trade, architects and fabricators. Our ZOOM\* collection was also honoured with the Austrian National Marketing Prize and nominated for the Design Award of the Federal Republic of Germany.

The market success of ZOOM<sup>4</sup> is accompanied by recognised design awards.





reddot design award winner 2008







PUBLIC FILE

The mattiglossy surface Artwaye At gives uni colours structure.

#### INNOVATION DRIVER FOR ARCHITECTURE, INDUSTRY AND TRADE

INNOVATION IS VERY IMPORTANT AT EGGER, WE CONSTANTLY EXPLORE HOW WE CAN FURTHER DEVELOP OUR WOOD-BASED MATERIALS, BE IT IN QUALITY, IN THEIR APPLICATION CHARACTERISTICS OR BY FOLLOWING COMPLETELY NEW PATHS. WE WORK ON THIS EVERY DAY THIS IS BECAUSE WE INTEND TO OFFER OUR CUSTOMERS THE BEST POSSIBLE SOLUTIONS.





- Surface layer 8 mm
- Cardboard honeycomb core
- D Surface layer 8 mm

#### THE SIX ADVANTAGES OF **EUROLIGHT**<sup>o</sup>

- Saves resources
- ☐ Stability and value
- Design freedom
- □ Versatile applications
- □ Easy to install and transport
- D Weight and mobility

#### cork\*-TECHNOLOGY MAKES THE DIFFERENCE

The direct print method (DPR\*) is used to apply the actual pattern image to the upper, highly condensed cork layer. It is then permanently sealed with environmentally compatible elastic vamish. This makes LANEO more robust than many cork ready-to-use parquet floors

Product advantages of flooring with

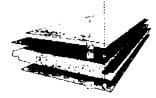
cork\*-technology: Warm - soft - silent - robust - ecologic



- Printed decor
- Primer for a brilliant colour appearance  $\square$  High-density, resilient top-layer with
- cork -technology D Swell barner-plus coreboard made from natural wood fibres
- C Integrated underlay, made from natural cork









We are continuously investing in our production processes. Our objective is to always be state of the art. In addition to optimising our production processes, this also protects the environment. We work closely with the mechanical engineering industry in order to achieve this. Electronic processes allow us to significantly simplify and accelerate

our processes: from wood procurement using online portals to electronic processing of decorative paper purchases with RFID (radio frequency Identification) technology to RELAG electronic warehouse management deployed at all EGGER plants.

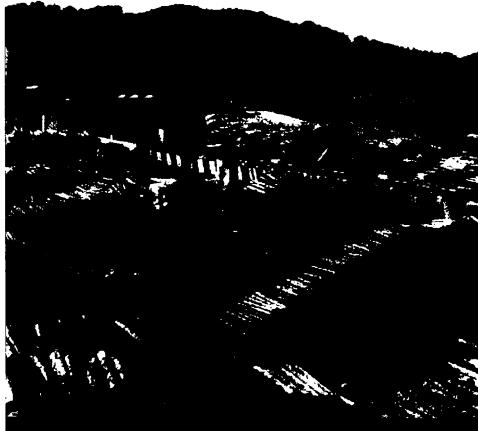
INNOVATIONS ARE NOT ALWAYS AS STRIKING AS THEY ARE IN OUR LATEST PRODUCTS. WE ARE ALSO CONTINUOUSLY WORKING ON IMPROVEMENTS TO OUR PROCESSES THAT ENHANCE OUR PERFORMANCE.

Return was our moder for EUROLIGHT. The functionality of the board with an arrave layer of functionality of the board with an arrave layer of functionality and a cardioval high expensions core is based on a one have. It is lightweight yet also incredibly stardy. The periforated ProAcoustic board requires sound in comisition concert halls to offices.

We manage our decorative papers with modern RFID techningsy (racto frequency decitiospen), it allows the flow of goods to be automatically controlled using wireless technology.



The direct print flooring line in Bri on produces up to 30 million m² (323 million 323 mil



The roundwood yard of our sawmill is five hectares in size and holds up to 80,000 solid cubic metres of wood. Logs are transported at a speed of up to 170 m/min which corresponds to an average saw output of 1,300 solid cubic metres per shift. A so-called "harvester" at work: In Great Britain, backwards integration extends to EGGER's own wood harvesting operations.



### INTEGRATION — REACHING OUR GOALS FASTER THROUGH PARTNERSHIPS



We stand for fair and trustworthy partnerships with our suppliers and customers.

### THE FORWARD AND BACKWARD INTEGRATION OF ITS PARTNERS ALONG THE VALUE CHAIN IS ONE OF THE COMPANY PRINCIPLES OF EGGER.

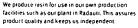
We count on integrated plants for the production of wood-based materials, optimum utilisation of raw materials and an independent energy supply. The example of our Brilon plant illustrates how the "resource" wood is fully utilised. From timber production in our own sawmill to board production from sawmill by-products to the use of wood waste that cannot be utilised materially in our own biomass power plant.

We focus on our core business and, in order to procure our raw materials, involve ourselves in all segments essential for a long-term supply guarantee and quality optimisation, for example, we operate our own glue factories for the production of resins and binding agents at our locations Wismar (DE), Hexham (UK) and starting from 2011 also in Radauti (RO).

We have secured our wood supply in the UK with our own forestry company, EGGER Forestry. It is engaged in wood harvesting in the heavily forested regions of Northern England and Scotland. We also arrange the procurement of residual wood and the corresponding recycling process within the company.

For the integration of its suppliers into the value creation process, EGGER takes advantage of electronic data interchange workflows and therefore accelerated and secure processing: from wood and paper purchasing to warehouse management and invoice processing.

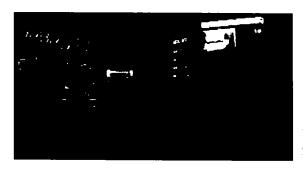








# DIGITAL SOLUTIONS CREATE ADDITIONAL BENEFITS FOR OUR CUSTOMERS



The EGGER Virtual Design Studio (VDS) was awarded the "if-International Forum communication design award" in 2010 and the "red dot award, communication design 2010".





reddot design award winner 2010

The daily personal dedication and commitment of our employees forms the basis for cooperation with our customers. We support them in all processes from planning to delivery, with a variety of digital solutions.

We involve our customers starting with the digital development process. New decors and textures are jointly developed and we use digitalised decordata in the sampling process in order to speed it up significantly.

To provide additional confidence the selected decors can be visualised in photo-realistic room settings using our Virtual Design Studio (VDS).

Digital decor data also forms the basis for the realisation of specific requests or small production runs using digital printing. The benefits of digital printing includes shorter decor development cycles and risk reduction through smaller production runs and therefore we can open up entirely new possibilities and product developments to our customers.



EGGER digital solutions offer support from decor development to presentation, from sampling to digital production.



#### **IDENTIFICATION - ONE COMPANY, MANY FACES**

6,500 EGGER EMPLOYEES FROM 44 NATIONS WORK IN 17 PLANTS AND 22 SALES OFFICES OF THE EGGER GROUP AROUND THE WORLD. THEY DEFINE OUR COMPANY THROUGH THEIR DEDICATION, EXPERTISE, EXPERIENCE AND LOYALTY.



We support internal career paths but also promote a willingness to perform and personal commitment.



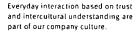
















We train young people to become specialists at all our plants in order to retain them within the EGGER Group over the long term and provide them with continuous development opportunities.







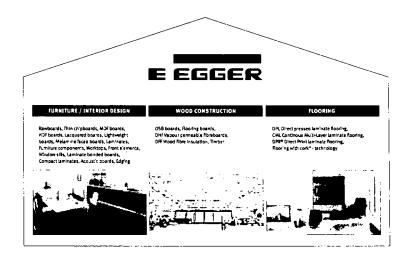






#### EGGER MAKES MORE FROM WOOD

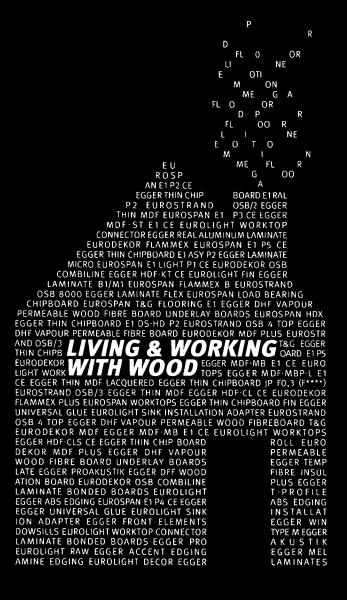
AS A FULL-RANGE SUPPLIER FOR SOLID WOOD AND WOOD-BASED MATERIALS WE LIVE OUR MOTTO "MORE FROM WOOD". UNDER THE EGGER UMBRELLA BRAND, WE COMBINE A COMPREHENSIVE PRODUCT SPECTRUM FOR THE FURNITURE AND INTERIOR DESIGN WOOD CONSTRUCTION AND FLOORING.



Our product range includes coreboard made of wood-based material such as chipboard, OSB and MDF boards, and since the launch of our new sawmill in Brilon (DE) in May 2008, also sawn and dressed timber. We upgrade our base products

with trend-conforming decors and surfaces. EGGER products are found in the kitchen, bathroom, office, living room and bedroom, in doors and countless other applications of private and public life.

CREATE YOUR WORLD WITH EGGER



# A WORLD OF EGGER - TAILOR-MADE OFFERS FOR EVERYONE



#### → INDUSTRY

INDUSTRY offers solutions to the furniture industry and to industrial wood construction fabricators. We create individual customer solutions which take functionality and efficiency into consideration along with sustainability and contemporary design.



#### --> PROFESSIONAL

PROFESSIONAL solutions from EGGER offer a perfectly coordinated product range for planners, architects and craftsmen. Our extensive network of specialist distributors ensures that all our products are available from stock in low quantities. We also offer a comprehensive range of services – from personal advice through the EGGER sales team to tailor-made concepts through EGGER partner marketing to a diverse range of information on the internet.



#### → HOME

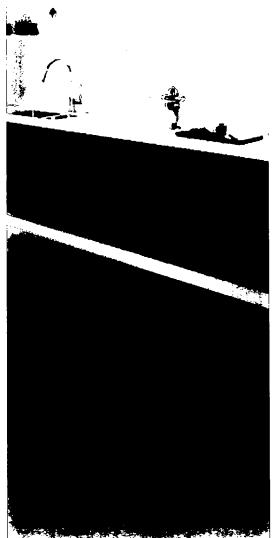
HOME offers products for the do-it-yourselfer – trend-conforming and straightforward to use. We supply renowned international home improvement store groups and DIY markets with our product range.

Combining functionality and aesthetics is the focus of the construction and interior design. EGGER offers the right products for the job: from high-grade laminate flooring to trend-conforming materials for furniture and interior design to environmentally friendly wood construction materials.

In order to make orientation easier for our customers and interested parties, we have created a straightforward system to structure our product range: INDUSTRY, PROFESSIONAL, HOME

### **COMBINING FUNCTIONALITY AND DESIGN**



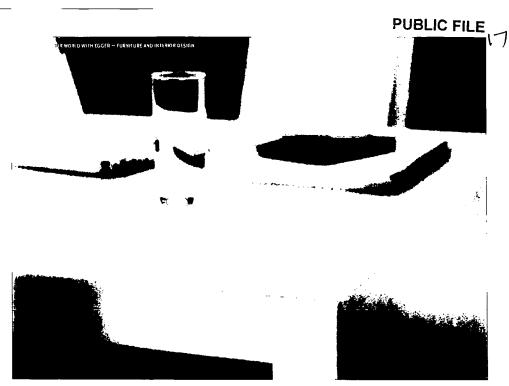


THE REQUIREMENTS FOR THE DESIGN OF RESIDENTIAL AND COMMERCIAL SPACE ARE INCREASING. THE FOCUS IS NOT ONLY ON FUNCTIONAL ASPECTS BUT ALSO ON AESTHETIC ASPECTS THAT REFLECT THE CURRENT ZEITGEIST AND TREND.

ARCHITECTS, FABRICATORS AND ALSO THE FURNITURE INDUSTRY CAN MEET THESE REQUIREMENTS WITH EGGER PRODUCTS.



EGGER offers innovative and modern materials for the furniture and interior design sectors in matching colours - from laminate to melamine faced chipboard to matching edging.









#### **DESIGN TRENDS FOR HOME AND WORK**

FROM THE OFFICE TO THE LIVING ROOM, FROM THE KITCHEN TO THE BATHROOM – EGGER OFFERS THE RIGHT SOLUTION FOR ALL INTERIOR DESIGN SITUATIONS FROM FLOORING TO DOORS.

Every year, we present the latest decor trends for the furniture and interior design sectors in our EGGERZUM in-house exhibition. This underscores our leadership role in terms of design. We emphasise proximity to our customers. This allows us to meet a wide variety of requirements and individual wishes. The focus is on functionality, efficiency and design.

With 200M<sup>5</sup>, EGGER has developed a complete and coherent system that meets all requirements of the modern furniture and interior design. Decors, surfaces and coreboards - everything is designed to be harmonious and perfectly fitting, available at any time in small quantities. Numerous offers

completes our service: Our sample service for genuine laminate samples, the ZOOM® Design Guide which llustrates a wide variety of combination options for our decors as well as ZOOM® Scenio, which allows our decors to be tried out online in real room situations.



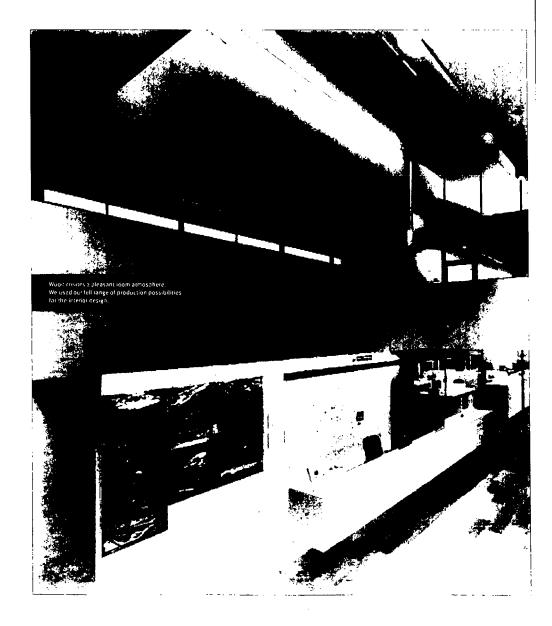


» WE DEVELOP DECORS IN DIALOGUE WITH OUR CUSTOMERS. THIS ALLOWS US TO ADDRESS THEIR REQUIREMENTS OPTIMALLY, «

Klaus Monhoff, Head of Decor Management EGGER Group



### **SUSTAINABLE BUILDING WITH WOOD**



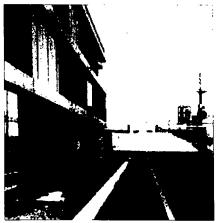
#### **PUBLIC FILE**

CREATE YOUR WORLD WITH EGGER - WOOD CONSTRUCTION



BUILDERS APPRECIATE THE ADVANTAGES OF WOOD IN TERMS OF AESTHETICS, WELLBEING AND CONVENIENCE. EGGER BUNDLES ALL ITS WOOD CONSTRUCTION ACTIVITIES UNDER THE TERM "EGGER WOOD CONSTRUCTION". WE ARE MORE THAN PARTNERS, WE ARE INNOVATIVE PROBLEM-SOLVERS.



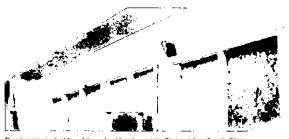


The administrative building in Radauti as the basis for an EGGER architecture using all of our products. The building was constructed over a period of just five months and is the only building in Romania to receive the DGNB gold certificate to date.

Sustainable and energy efficient buildings can be designed with wood construction products from EGGER.



#### **OPPORTUNITIES FOR WOOD CONSTRUCTION**





The administrative building of the tool and façade specialist Rheimzink from Datteln (DE) is a prefabricated building concept by star architect Daniel Libeskind. EGGER products such as EUROSTRAND\*CSB 4 TOP are used for the sheathing of the roof, walls and ceiling among other things.

### EGGER OFFERS THE RIGHT WOOD-BASED MATERIALS AND SOLUTIONS FOR DEMANDING WOOD CONSTRUCTION PROJECTS.

As load-bearing and reinforcing elements in the roof, walls and ceilings, our EUROSTRAND+ OSB boards offer ultimate loading capacity and dimensional stability. They also have a distinctive appearance. Tailored to their respective areas of application, we offer the stability classes OSB/2 and OSB/3 according to EN 300 as well as OSB 4 TOP with application-oriented approval by the building authorities. OSB boards for use in humid conditions are made with formaldehyde-free adhesives. The separate strand preparation for the surface and core layers and the specific strand geometry ensure the best technical characteristics.

EGGER DHF Vapour permeable wood fibreboard and EGGER DFF Vapour permeable humidity balancing soft wood fibreboard are used in roof and wall construction as exterior vapour-permeable and wind-proof sheathing and / or covering. With a nail grid

printed at the plant, DHF and DFF boards are quick and straightforward to install without the need for additional nail sealing strips. This saves time and minimises costs.

In addition to our wood construction products EUROSTRAND® OSB, EGGER DHF and EGGER DFF, we offer comprehensive know-how and a service package for dealers, planners and fabricators. The wood construction planning handbook forms the core. It contains all the important product information and certificates as well as detailed technological application recommendations for processing our products. With the EGGER INNOVATIVE partnership programme, we have developed a platform for the exchange of technical information with planners and fabricators.

Since the opening of our sawmill in Brilon in 2008, we also offer sawn and dressed timber for wood construction.



1 Timber



EUROSTRAND: OSB hoard



DHF Vapour permeable wood fibreboard



DFF Wood fibre insulation

# VERSATILE LAMINATE FLOORING FOR EVERY ROOM





LAMINATE FLOORING IS EXTREMELY VERSATILE IN APPLICATION AND VERY ROBUST IN USE. WHETHER DOWN-TO-EARTH, EXTRAVAGANT, CLASSIC, MODERN OR COUNTRY-HOME STYLE, OUR PROGRAMME OFFERS VERSATILE DECORS AND PRECISELY MATCHING SURFACES IN A VARIETY OF FORMATS.



VDS PROFI 2.0 is a flexible visual sation software and the perfect tool for PC workstations and laptops. It supports the individual design of rooms with furniture and flooring decors.



LANEO
LA1014 Alpena Oak







CREATE YOUR WORLD WITH EGGER - FLOORING

### CONVINCING APPEARANCE, STRAIGHTFORWARD HANDLING

EGGER OFFERS AN EXTENSIVE AND HARMONISED COMPLETE RANGE OF FLOORING FOR ARCHITECTS, FLOORING INSTALLERS, INTERIOR DECORATORS AND DO-IT-YOURSELFERS.













For a perfect appearance in the office or an exotic atmosphere in the living room – our FLOORLINE\*, emotion® and VIVO® laminate flooring collections offer timeless, beautiful floors of the highest quality. The new LANEO® collection with the innovative COrk®—technology combines the characteristics of cork and the functionality of laminate flooring in a new product. These collections are distributed to specialist trade partners, flooring installers and interior decorators through our Europe-wide network of distributors.

The MEGAFLOOR\* and Spirit collections are tailored to the needs of the do-ityourselfer. They are offered by select partners in the do-it-yourself segment all over Europe.

Our flooring features a convincing appearance - exotic decois, the rustic look of floorboards, tile, stone and metal reproductions and surfaces perfectly

coordinated with the decors. All our flooring is also impact and scratch resistant, wear-resistant and easy-care. With optimised accessories and the right components, every floor can be installed quickly, easily and cleanly.

EGGER quality does not end with flooring. It also extends to a comprehensive system of accessories that range from installation to the care of your new laminate flooring. From the underlay to noise reduction, from the matching baseboards to care products, all accessories are optimally adapted to the flooring. With special highlights such as LED floor lights, you can also add blazing accents.



SILENZIO® System underlay



For clean edges, for every flooring decor a matching skirting hoard



Laminate cleaner



SUSTAINABLE FORESTRY

SAWMILL



WOOD MATERIALS PRODUCTION AND FURTHER PROCESSING

CONSUMER

RECYCLING

BIOMASS POWER PLANT

co,



# RAW MATERIAL WOOD – COMMITMENT TO SUSTAINABILITY







Wood is a valuable raw material. This is why EGGER promotes sustainable forestry as well as the material use of wood in production and thermal use of wood in its own biomass power plants.



WE AT EGGER FOLLOW THE BASIC PRINCIPLE OF SUSTAINABILITY BECAUSE WE KNOW THAT OUR ACTIONS TODAY DETERMINE THE QUALITY OF OUR LIVING SPACE IN THE FUTURE.

That is why we engage in environmentally friendly production in the latest state-of-the-and facilities. From the living tree to the finished product, we count on integrated plants that fully utilise our most important raw material wood in a closed cycle.

The reduction of greenhouse gases in the atmosphere makes a key contribution towards a healthy and intact environment. Wood-based materials have a significant climate advantage which we are utilising: they are carbon-neutral because  ${\rm CO}_2$  is stored in the wood through

photosynthesis. Through the material and thermal use of wood in our usage cycle, we are making an important contribution towards reducing the greenhouse gas CO<sub>2</sub> which is harmful to our climate.

#### THINKING IN CLOSED CYCLES



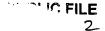
As environmental, health and safety representative in Hexham, EGGER employee Paul Turner is also responsible for the reed settling pond.

Those who visit our plant in Hexham (UK) Up to 2,100 m3 of water can be cleaned will not only find one of the largest production facilities of the EGGER Group — straightforward example of how the but also a special kind of biotope; here we clean our waste water with our own reed purification pand.

and returned to nature every day. A EGGER principle of thinking in closed cycles is also reflected on a small scale.

> » THE REED SETTLING POND IS PART OF THE EGGER PLANT IN HEXHAM (UK) AND, AS A BIOTOPE, SIMULTANEOUSLY OFFERS A HABITAT FOR FROGS AND NUMEROUS OTHER FORMS OF LIFE. «





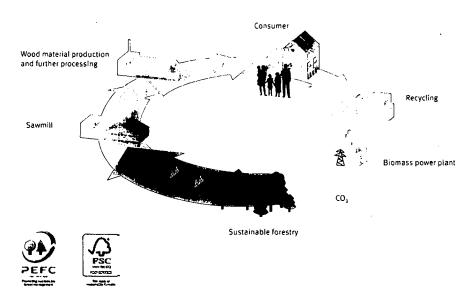
#### FROM THE TREE TO THE PRODUCT - A CLOSED CYCLE

IN OUR CORE VALUES WE HAVE ALLOCATED THE SUSTAINABLE USE OF WOOD-BASED MATERIALS THE HIGHEST PRIORITY.



That is why we count on fully integrated locations. There, wood is initially used materially. This extends from solid wood production in the sawmill to the production of wood-based materials such as laminate flooring. Wood residues and recycled wood that cannot be used in production is utilised as thermal fuel in our biomass power plants to generate energy for production. We therefore optimise our use of the resource wood to protect our climate.

In our ecology cycle, we have summarised all processes of our philosophy.



### PROTECTING THE ENVIRONMENT BEGINS WITH SUSTAINABLE FORESTRY

Sustainable forestry is a top priority for EGGER. For the production of wood-based materials, EGGER only uses wood from forest thinnings and residual wood of a selected quality from sawmills, as well as suitable recycled wood. Within the chain of custody, our plants are PEFC\* and / or FSC\*-certified depending on the availability of wood.

#### **RECYCLING AND THERMAL UTILISATION OF WOOD**

Part of the wood we use consists of recycled wood residues. We process recycled wood in our products and thermally in our biomass power plants.

Wood-based materials generated during production that cannot be used materially are burned in our biomass power plants. The resulting energy is used for drying wood and in wood-based material production.

<sup>\*</sup> PEFC (Programme for the Endorsement of Forest Certification Schemes) and / or FSC (Forest Stewardship Council)

#### WE REDUCE CO,

By processing wood in EGGER products. **4.64 million tonnes** of CO,\* are bound in materials every year. This corresponds to the CO, emissions of **1.03 million** households\*\*.

Through the use of recycled wood residues, we save the environment

1.53 million tonnes of CO, per year. Our biomass power plants reduce CO, emissions by 695,000 tonnes compared to burning natural gas.

- Calculated based on the greenhouse potential of EGGER EPDs (in kg CO; equivalent, based on production figures for 2010/2011)
- \*\* An average European household with three persons generates approximately 4.5 tonnes of CO, per year. Source: according to EUROSTA1 08/2008

#### CERTIFYING THE SUSTAINABILITY OF BUILDINGS



BISKE CO.

im<sup>2</sup> of spruce wood binds 825 kg (1.819 pounds) CO<sub>2</sub> im<sup>2</sup> of OSB board binds 864 kg (1.905 pounds) of CO<sub>2</sub>

tm3 of raw chipboard binds 745 kg (1.642 pounds) of CO,

im<sup>1</sup> of MDF board binds 505 kg (1.113 pounds) of CO,

Institut Bauen und Umwelt e.V.

EPOs according to DIN ISO 14025

CHATRA. DAVABASE

> ीक हो होता हुए । बार्क बार्सा दिख्य ।



Building certification (e.g. DGNB, BREEAM, HQE ...)

(type II environmental product declaration)

Various building certification systems are currently in use, such as DGNB in

Germany, HQE in France, Breeam in Great Britain and LEED in the USA. An European standard-setting body is working towards convergence of the

existing standards.

#### **ENVIRONMENTAL PRODUCT DECLARATIONS**

We had the sustainability and environmental compatibility of our products confirmed through independent tests and have disclosed this information in our environmental product declarations (EPDs). These are used in certifying the sustainability of buildings. EPDs are available for all key EGGER product groups. We also obtained EMAS certification for our plant in Unterradiberg (AT) in 2010. This voluntary environmental management system supports EGGER in the continuous improvement of operational environmental protection.



