



Media release

Positive operating result – successful capital increase

Zug, 28 January 2016- The Precious Woods Group has reached all of its goals for 2015. Sales growth at constant exchange rates was 9.5% (at effective exchange rates: -5.7%) and it concluded the 2015 business year with positive earnings before income and taxes (EBIT) of USD 1.1 million. In terms of EBIT, this means an improvement of USD 5.2 million over the previous year.

in million USD	2015	2014	Index
Net sales (at constant exchange rates)	51.9	47.4	109.5%
Currency effects	-7.5	-0.3	
Net sales	44.4	47.1	94.3%
EBIT	1.1	-4.1	
EBIT margin	2.5%	-8.7%	

This gratifying result was achieved through **operational improvements** in both countries and at all levels. Free cash flow improved again significantly.

All companies passed their **FSC audits** in 2015 with the highest marks. This confirms our sustainable work in the management of tropical rainforests, and alongside our financial improvement, it is evidence of our positive track record.

Short-term loans at Precious Woods Holding were refinanced in a timely manner. As already announced last year, partial debt reduction was also achieved at the end of the year through a capital increase of **CHF 8.2 million**. Loan note holders converted a total of CHF 4.5 million into equity, and the payment under subscription of approved capital resulted in an inflow of new money in the amount of CHF 3.7 million.

A further, larger **capital increase** is planned for 2016. The focus is on a further reduction of debt and thus a reduction of the interest burden as well as targeted investment in productivity and accordingly also in profitability, which may include an acquisition. The request for a capital increase will be submitted to the next General Meeting and justified in detail.

Although the market for sawn timber came under pressure in 2015, we expect **further increases in sales and profitability** in 2016. The operational improvements and reorganizations undertaken in recent years represent an excellent starting point for the future of Precious Woods.

Information:

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Precious Woods is an international company active in the sustainable management and use of tropical forests. The company's core activities include sustainable management of tropical forests, timber processing and the trading of FSC-certified timber products. The generation of emission rights and electricity from wood waste represent further integral elements of the company's business. Additional information about Precious Woods can be found at www.preciouswoods.com

This document includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical fact. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.