



Media release

Preliminary result 2016: Sales increase – Positive operating result

Zug, 8 February 2017 – The Precious Woods Group has achieved a sales increase of 3% and increased positive earnings before interest and taxes (EBIT).

in million USD	2016	2015	Index
Net sales	45.7	44.4	103.0%
EBIT	1.7	1.0	179.8%
Margin	3.8%	2.2%	
(whereof minority interest)	0.4	-0.1	
EBIT without minority interest	1.4	1.1	123.5%
EBIT Margin	3.0%	2.5%	

The result 2016 was affected by political problems towards end of the year in Brazil. A strike followed by conflict of competences of the custom administration hindered Precious Woods Amazon to ship goods during 2 months. The missing sales of around USD 2.3 million were realized early 2017 only. Production was not affected by this issue and as a consequence inventory increased by USD 1.9 million.

Due to a capital increase the equity ratio increased from 18.1% end of 2015 to 28.3% end of 2016. As to the above mentioned issue the working capital increased from 24.7% of net sales in 2015 to 26.7% of net sales in the reporting period.

All companies passed their FSC audits in 2016 again 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.

Market prices for sawn timber were lower compared to the previous year and we do expect a certain recovery in the current business year for the major species. Due to selective investments done in the reporting period we expect further **increases in sales and profitability** in 2017.

Upcoming events:

Presentation of the annual report 2016: 24 April 2017
Annual general meeting in Zurich: 18 May 2017

Information:

Precious Woods Holding AG, Prof. Dr. Ernst A. Brugger (Chairman) and

Markus Brüttsch (CEO/CFO) Tel. +41 41 726 13 13, investor@preciouswoods.com

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.