



PRECIOUS WOODS

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PRESS RELEASE, SHAREHOLDER AND INVESTOR INFORMATION

Precious Woods reorganises sales & marketing of its Brazilian timber products

Zug, 1 November 2013 - The Board of Directors and Management of Precious Woods Holding Ltd. decided on a fundamentally new approach for marketing and sales of their timber products from their production Precious Woods Amazon.

During the months of November and December 2013 distribution of the Brazilian timber will be re-organised in worldwide direct marketing – aligning with the existing and proven marketing concept for products from Gabon. The activities of the Dutch Precious Woods Europe BV as stock holding facility for South American hard woods will be discontinued due to the continuous difficult economic environment in particular the Benelux countries; distribution activities will end in the course of the next months. Following the sale of the remaining stock, the site in Nieuwerbrug will be closed. Precious Woods takes these steps in response to the requirements of an increasingly complex market in Europe.

As of the second quarter 2013, the production in Brazil has been gradually aligned with international market requirements to enable the move towards worldwide direct marketing and distribution. The existing saw mill production lines were modernised, drying capacities significantly increased and the processing facilities for machined products expanded.

With these changes Precious Woods Amazon has created the foundation for an attractive, sustainably produced and FSC-certified product range. In future, this product assortment will be directly marketed and distributed from its location in Itacoatiara/Brazil to importers and processing industry across the world.

These measures are a significant contribution for an improved future economic framework of Precious Woods.

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