



PFEIFER

NEWS

Edition 5, December 2008

THE NEW MARKETS: Holz Pfeifer woods on the world stage.

Russia, Mexico, India – the new partners.

IMSTER GLUELAM FACTORY NEW: Technical improvements in the main workshop.

FULL STEAM (OR BIOMASS) AHEAD: A power plant is also planned for the new factory in Lauterbach.



 Heggenstaller


Holzindustrie
Schlitz
Plate-Scalung

DONAU
SCHALUNGSPLETTEN

KONSTRUKTO[®]

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THE PHILOSOPHY OF A FOOTBALL TEAM

> *Interview.* The managing directors Michael Pfeifer, Clemens Pfeifer and Ewald Franzoi give an insight into the history, development and thinking behind a family business.



The managing directors Clemens Pfeifer, Ewald Franzoi and Michael Pfeifer are team players through and through. If you're not, they say, a large business has very little chance of success nowadays.

Pfeifer News: Holz Pfeifer was established 60 years ago. Will this anniversary be celebrated?

Michael Pfeifer: Nothing has been planned, as we had a big inauguration celebration last year for the opening of the new headquarters. Also, if you want to be really picky, our grandmother Barbara Pfeifer bought the saw mill in 1948, but was already renting it in 1945.

Pfeifer News: Speaking of Barbara Pfeifer. It must have been a great risk for a woman at that time to start a business. What memories do you have of her?

Clemens Pfeifer: I like to describe the memories of my grandmother like this:

she was fair, intelligent, hardworking, economical and caring. She always made sure that something would become of all of us. She paid for my education, for example, I'll never forget that. In short: a great grandma.

Michael Pfeifer: She was the calm person in the background, no problem was too big for her to solve. She helped out until she died, and still opened the mail every day until she was 94. Wednesday afternoons were also legendary, when the farmers would come to collect the sawdust. She always loved taking the money for the sawdust and the conversations with the farmers on these days. She was a very strong

woman; and she didn't always have it easy.

Pfeifer News: Did she influence the business philosophy?

Clemens Pfeifer: Our grandmother's creed has passed on to our generation. "Be careful and economical, and keep watch. Money doesn't grow on trees, and trees don't grow in heaven." She also knew that every working day had an end, and she had a good time plan, I remember that. If I look at how we work now, it always reminds me of her a little.

Pfeifer News: How important is it, as a family business, to go back to one's own roots?

Clemens Pfeifer: Very important. The seed that our grandmother sowed back then has put out deep roots and grown into a massive tree which has weathered many a storm. It is therefore important to be aware of your own history, roots and philosophy, and to hold on to them, but to adapt them to the current circumstances where possible.

Pfeifer News: Have there been changes with the new generation?

Michael Pfeifer: For one, we have given our factory managers more say in the decisions that are made. Working together is important to us, and this is being implemented in the structure.

Clemens Pfeifer: And, due to the size of the business, we have, for the first time in the company's history, broken from Pfeifer-only management and decided to include external staff – i.e. Mr Franzoi – in the top tier of manage- →

ment. This was one of the steps taken as a result of the new generation.

Ewald Franzoi: Generally, you always need two sides. Every family business has a certain amount of tradition, which is also very important. But what you can not ignore for businesses which are growing rapidly is that there is a changing management culture in many businesses nowadays. You have to be able to integrate yourself into a team, we need team players. And if we three managing directors can't manage it, then we can't demand it from our staff. Team-focused management is also important as it means that you are secured on a second footing. And it's this team which is one of the biggest gains over the last few years, because it's exactly here where a lot of teams fail. Speaking of business successions: this process always has the potential risk of being a cat among the pigeons. It can only work relatively smoothly if everyone knows and accepts their limits and is prepared to take a step forwards or backwards every now and again.

Michael Pfeifer: I agree. In my opinion, an entrepreneur has only truly passed the test if he hands over an orderly business. Not everyone achieves this.

Pfeifer News: How do you define a team?

Ewald Franzoi: Basically, you can compare it to a football team: if you have a good centre forward and a good goalkeeper, but nothing happens between them, the team will hardly be able to win a game. If we all work towards the same goal, success is very likely. It's important to remember that the person scoring the goals at the front is just as important as the defender who may not be in the limelight every time he tackles the opponent. But if he hadn't done that, the opposition may have scored a goal. I think you can directly apply this to a business.

Pfeifer News: Speaking of handing over a business – what kind of problems can occur?



Ewald Franzoi (left) compares teamwork in a business to a football team: if everyone pulls together, the chances of success are great.

Michael Pfeifer: It may of course be the case that there is no successor. Many people nowadays don't want to inherit a business. Also, many companies are run in a patriarchic fashion by the founder, and if he doesn't involve the second generation enough at some point, it's too late.

Clemens Pfeifer: Some are so caught up in their job that they can no longer do without it. They forget to build other areas of their life and then naturally are scared to leave the protective cloak of „work“.

Pfeifer News: How did the handover of the business happen for you?

Clemens Pfeifer: In our business, the handover was meticulously planned and implemented step by step. It is also important for the older generation to be there in the background. The years of experience are a priceless advantage.

Michael Pfeifer: We work very well together – the experience of the older generation and the zeal of the young, that's the perfect mix.

Clemens Pfeifer: Exactly. In businesses where there is no family connection, there is also less solidarity and less continuity. You have one manager packing his suitcase whilst the next one is sitting on his chair.

Pfeifer News: How do you see the optimum position of the business?

Clemens Pfeifer: From my point of view, this has a lot to do with the trust that we have in the staff. We've always known how best to use the strengths of the family business – for example quickly coming to decisions for important questions. And one significant advantage of our business is that there's not just one mind thinking, but several. With our current size, this is now a decisive point.

Pfeifer News: The new site in Lauterbach will be completed next year. Will there be more?

Clemens Pfeifer: We are not currently planning any Greenfield projects, but we will – as we have done in the past – be looking closely at takeover offers from companies in the wood industry and will seize a good opportunity if it arises.

Pfeifer News: What is the situation at the moment in the wood industry?

Ewald Franzoi: The industry is undergoing a strong process of change. Nowadays, many want to jump on to the bandwagon of including processing in a sawing mill. But without the necessary size you don't stand a chance. This will result in many radical chan-

Michael Pfeifer (left) sees the combination of the experience of the older generation and the zest of the young as a big advantage to the business. Clemens Pfeifer (right) emphasizes the advantage that not just one, but several minds are thinking at Pfeifer.



ges. What we are considering and also implementing across the board is a virtually self-sufficient energy supply. In our opinion, this is the right and necessary step for the future. There are many who now can no longer take part in this development, because they are simply too late.

Pfeifer News: How have the exports of the business developed?

Michael Pfeifer: We exported our first logs to Switzerland in the late 1950s, the first deliveries to Italy were made in the 1960s and in the late 1970s, we exported to England. We were therefore export-oriented very early on. Our export quote is now at 85 percent.

Pfeifer News: Will the current main turnover markets be different from the ones in the future?

Michael Pfeifer: Currently these are Austria, Germany, Italy and Switzerland, where we achieve 75 percent of our turnover, another 15 percent in the remaining European countries, ten percent outside of Europe. Particularly Eastern markets have become more and more significant in the last two years, such as Poland, Bulgaria and Russia. The Middle East and the entire Asian region, particularly India, are the markets of the future.

Pfeifer News: What will the turnover development be this year?

Michael Pfeifer: We have constantly increased our turnover over the last years by acquiring companies in Germany and the Czech Republic, and by expanding existing factories, particularly here in Tyrol. The industry is currently in an economically difficult time. Even we can not completely separate ourselves from this development and we will not quite reach our ambitious targets. This is due to declining markets. Spain has lost up to 70 percent, America has become a difficult market, but we only make one percent of our total turnover there, so this does not affect us badly. We are not expecting the overall economic situation to improve before 2010. The economic environment will remain difficult.

Ewald Franzoi: These consolidation processes are normal in an industry. You can not expect to always go up. A company should be able to take it. You should also be able to grow in these times, maybe not in terms of turnover but certainly in terms of strength. Of course increases are nice – who doesn't want this? I do think, however, that times such as those we are experiencing today, also offer chances. They show where you haven't done your

homework, and where readjustments can be made. Also, we are bound to see some interesting opportunities for takeovers.

Pfeifer News: Your business is well known for its environmentally aware measures. What form exactly do these take?

Michael Pfeifer: Wood is a CO –neutral natural product. As our raw material is nature, we pay heed to the environment. We produce CO –neutral energy, we do not use any fossil fuels in this area. And, of course, we are trying to design site optimizations and enhancements so that as little CO2 as possible. You can't quite avoid it, but you can pay heed to it. Due to the raw material alone, we need to be very careful with the environment and therefore use all the opportunities and possibilities open to us.

Clemens Pfeifer: We have a big advantage in the wood processing industry: we work with a natural product which can be fully used. From a technical point of view, we also run an environmentally friendly production. In addition to this, we produce "green" electricity in our own state of the art biomass cogeneration power plants, with which we offer a considerable contribution to the national and international air improvement targets. We are always at the forefront of technology, are self-monitored environmentally, and we are actively promoting the issue. We are therefore also strengthening our "wood on a short path" philosophy in the area of transport. ■

FULL STEAME AHEAD INTO THE FUTURE

> *The Lauterbach factory. The new Lauterbach factory in Hesse will go into service in Spring 2009 – environmentally thanks to its own biomass power plant.*



Building began in March, and the Lauterbach factory will be operational in Spring 2009.

Photos: Holz Pfeifer



Around 120 million Euros has been invested into the initial phase of building: in the past few months, a state of the art saw mill has been built in the "Rotäcker" area.

INFO

PRODUCTION

The Lauterbach saw mill will cut 800,000 solid cubic metres of logs in a two-tier operation, a three-tier operation can allow an even higher capacity. Packaging timber of pine and spruce will take up half of production, the second half will be made up of freshly felled spruce timber. From the end of 2008, the installation work for the logging plant will be tackled, production.

The raw material is virtually on our doorstep – and is constantly being renewed: the new site for the Holz Pfeifer group in Lauterbach is situated at the centre of the German Federal state of Hesse, 42 percent of which is covered by forest. Other advantages include the central European location as well as proximity for freight to the ports of Hamburg and Bremerhaven, which will be exploited by the site. Lauterbach is following the concept which has already been practiced successfully by the Pfeifer group in the past by integrating the site. The first step of expansion will be completed by Spring 2009.

"Currently, we are ahead of the building schedule by a few weeks", according to Michael Pfeifer, managing director of Holz Pfeifer, commenting on the status of the work in Autumn 2008. In the first step, the proven Pfeifer concept of an integrated site with saw mill, palette block production and power plant will be built.

However, the new site may be the last new site to be built in Germany: "Lauterbach is one of the last sites in Germany which is optimum for an installation for a company of this size. For us, it completes our sites in Germany", said managing director Clemens Pfeifer.

Endowing the future.

In November 2008, the 360 metre long block sorting plant was put into operation, processing 60 percent spruce and 40 percent pine. The speedy building work had begun in March of that year. By the end of 2008, log storage will commence, and the log feeding of the sorting line has been redeveloped and equipped with a low-wear step singulator. In December, the installation work should also commence in the log plant, with production due to start rolling in the early summer, as soon as the saw mill is also in operation.

The chipping saw mill is to have a cutting capacity of 800,000 solid cubic meters of wood, initially in a two-tier operation. In the three-tier system, this capacity can be increased accordingly. A total of 200 jobs will be created, which will be a major boost for the region.

"The future prospects of the young people are paramount, and the city has over the years kept the necessary areas for the manufacturing industry. This creates good jobs which allow people to feed a family", emphasised Rainer-Hans Vollmöller, mayor of Lauterbach. The estimated 120 million Euros invested into the initial phase of expansion of the new saw mill on the industrial site "Rotäcker" is therefore also an investment in the future of the region and its residents.

„Lauterbach is one of the last sites in Germany which is optimum for an installation for a company of this size.“

Clemens Pfeifer

The environment.

The Lauterbach factory works on the group's proven concept with its own biomass power plant, which can provide 42 Megawatts of output.

"With the heat produced, we can dry the cut wood but also the wood offcuts from sawing, and then reprocessed on-site", project manager Gebhard Dünser explains. Once the building work on the premises of the new factory has been completed, it will feature a power plant, log wood space, a sawing hall with sorting plant, a Mühlböck drying chamber complex, a logging plant for palette block production as well as a management building. A railway connection is also being planned – perfect infrastructure for a smooth workflow. ■

SUCCESS WITH NATURE

> *The Unterbernbach factory. The new pellet factory including a power plant has been operational since summer 2007. Expectations have been exceeded.*



INFO

PRODUCTION

The factory in Unterbernbach produces 150,000 tonnes of pellets a year. Its own power plant and the linked energy supply produces replaces no less than 70 million kilowatt hours of standard electricity with clean power every year.

The new pellet factory in Unterbernbach has been operational since July 2007. It was to produce 100,000 tonnes of pellets a year. Its actual output, however, is currently at 150,000. But productivity isn't the only success story from Unterbernbach. As the entire energy supply of the factory is being covered by its own resources, the site is also very efficient environmentally. This energy supply replaces no less than 70 million kilowatt hours of standard electricity with clean power – exemplary in these times of CO₂ crisis and climate change. As in Unterbernbach, Uelzen and Kundl, the new site in Lauterbach will be focusing on its own energy supply.

Cutoffs which aren't processed into pellets are used to produce palette

blocks. The high quality standards, the minimal degree of dampness (just eight percent), as well as the high level of robustness to dampness and temperature variations, have combined to sell Euroblock palette blocks from the house of Heggenstaller worldwide. The main sales markets for Euroblock palette logs are Germany with 41 percent, then Italy with 13 and the Netherlands with twelve percent. These are followed by Belgium, France, Great Britain, Spain, Denmark and the USA. In order to force the expansion

„All offcuts will either be processed into pellets or palette blocks.“

Gebhard Dünser, Heggenstaller MD

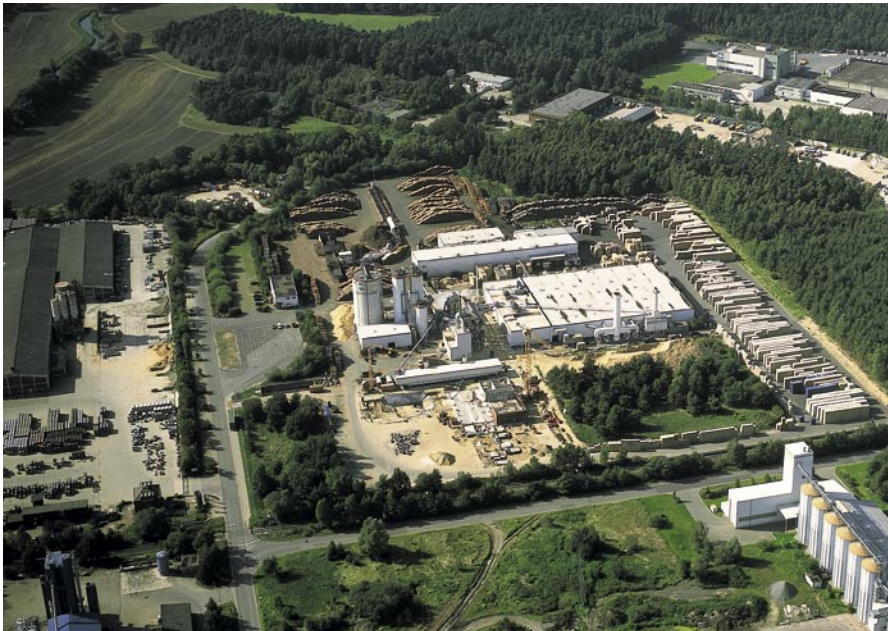
of the range of products, Holz Pfeifer works according to the saying “a cobbler should stick to his last”. Accordingly, since the takeover of Anton Heggenstaller GmbH we have worked primarily on optimising production and quality.

Using synergies.

At Holz Pfeifer, we endeavour to utilise existing structures. Particularly in the sales area, we focus on synergies. “Why shouldn't Anton Heggenstaller field staff also sell products by Pfeifer wood industries, and vice versa?” says Ingo Meitinger, head of marketing for Holz Pfeifer. He believes that every contact is valuable and should therefore be used. The success so far has proven this strategy right. Only if you focus your strengths can you be strong enough for the future. ■

REVIEW UND INSIGHT

> *Factory Uelzen. As part of the Heggenstaller group, the Uelzen factory was taken over by Holz Pfeifer in 2005 – a historic review and insight into the present.*



INFO

HEGGENSTALLER

Heggenstaller (Uelzen and Unterbernbach factories) has been part of Holz Pfeifer since 2005 and processes 1.5 million solid cubic meters of wood a year. The main products are wood pallet blocks and timber, sold particularly in northern Germany, Great Britain, Poland and Scandinavia.

The Heggenstaller business got its company name in 1855, when Paul Heggenstaller bought a mill, recorded as early as 1237, including its saw, in the Swabian town of Unterbernbach, today's company headquarters. Over one hundred years later, in 1992, the factory in the town of Uelzen in Lower Saxony was built. Finally, the business was taken over by Holz Pfeifer in 2005. A long history – and this comes with extensive experience on which the business can build.

Highest quality.

Today the factory in Uelzen, employ-

ing a total of 125 staff, produces pallet blocks and pine timber. And this on a huge scale: 360,000 m³ of timber and 200,000 m³ of pallet blocks leave the factory every year and are delivered to customers worldwide.

The EUROBLOCK pallet blocks are manufactured according to strict quality criteria. The basic materials are naturally finished softwood chippings. The chippings are covered in glue and pressed under high pressure and high temperature to create a homogenous, high-quality wood material which ultimately guarantees stable storage. Due to the superior advantages of the product and its applications, EUROBLOCK pallet blocks have

also been approved by EPAL and other significant rent pools.

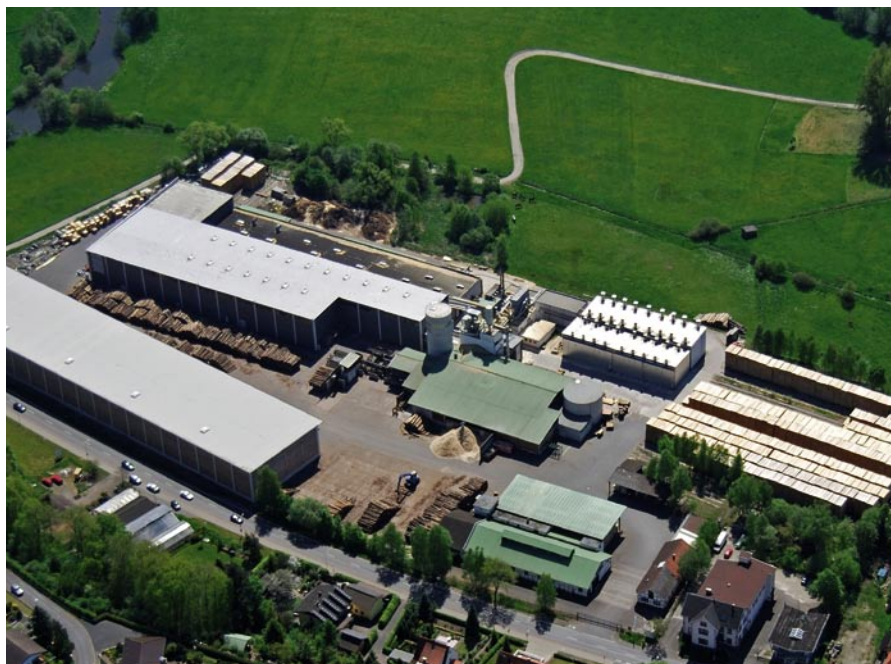
The timber is sawn on modern wood moulding chipping lines from logs originating from sustainably managed forests – the word “sustainable” being of particular importance for all Pfeifer group businesses: their own biomass cogeneration plant in Uelzen produces 50 million kilowatt hours of clean electricity every year. Environmentally friendly measures have been a significant cornerstone of the Pfeifer business philosophy for a long time. Surrounded by ever more active discussions on the environment, the business has shown foresight and an awareness of its responsibilities. ■

PRECISE STRATEGY

> *Factory Schlitz. The takeover of Schlitz wood industries was strategically perfected: the new formwork beam production will make the Pfeifer group the top moulding components provider.*

For over 20 years, the Hessian town of Schlitz has been a bundle of technical know-how. Schlitz GmbH & Co. KG wood industries, part of Holz Pfeifer since 1997, has been producing quality shuttering panels for nearly a quarter of a century. The takeover has expanded this know-how as well as the site: in January 2008, a new formwork beam factory was put into operation. "we are currently producing 35,000 running metres per week – far exceeding our target for 2008 of one million running metres of formwork beams" said managing director Gebhard Dünser. He believes this again confirms that the takeover of the Schlitzer factory was the right thing to do: due to more and more developments in markets such as India, South Africa, Eastern Europe, and in the Arabian and Asian regions, the factory in Imst was reaching the limits of its capacity. Schlitz was to redefine these limits – and it has done so: by logically expanding, the Pfeifer group has managed to become one of the three largest formwork beam producers in Europe and to defend this position. At the same time, this has catapulted the group to the number one spot worldwide as a supplier of formwork beams without complete systems. The introduction of the new formwork beam is very successful and the demand is great – but can still be increased.

"We have already supplied this beam to 32 countries around the world – our aim, as with Imst, is to sell this beam in more than 60 countries", according to Ingo Meitinger, head of marketing at Holz Pfeifer. In



order to reach this goal, a separate sales line was created. The aim is to also sell the new formwork beam in those countries where the Pfeifer beam is currently being supplied. By the end of 2008, the target is to produce 40,000 running metres per week, with an annual volume for 2009 set at two million running metres.

Market expansion.

In 2008, the 21 mm shuttering panels were also able to record a new success: they were sold in 15 new countries. "Unfortunately, the Spanish market is in a strong decline, and the main markets of Italy, Switzerland, Germany and Austria are stagnant", says Meitinger. There was therefore a search for new markets, and the success of this is already showing.

Meitinger is optimistic: "The 21 mm shuttering panels are now offering true competition to the common plywood in the former East bloc countries or in the Asian region." The new shuttering panels are being received very well in the United Arab Emirates as well as in the new EU countries. The plywood available there may be cheap to purchase, but it can not be used more than two times. The Schlitz shuttering panels, on the other hand, are still true to size and dimensionally stable even after being used 20 times or more – which is also a considerable advantage. "Even compared to the plywood from northern Europe, which costs considerably more in comparison, the Pfeifer group liners are shown to be at a significant advantage: structurally, they are second to none."

TAKING TRADITION INTO THE FUTURE

> *Konstrukto in Höchstädt.* It all began in the year of 1917 with a small saw mill. Since then, the company has been part of a turbulent story.



Since 2001, Konstrukto GmbH & Co. KG belongs to the Pfeifer group. However, the story of the traditional business from Höchstädt in Bavaria began in 1917 with the purchase of a small gate saw mill. Back then, production took place at a different location. It was only in 1930 that the company relocated to the current premises on the coal face. Around 5000 solid cubic meters were being cut, and the factory employed thirty staff. The period during the second world war and in the years that followed were difficult. The range of products in those days was also a little out of the ordinary: it produced wood fuel for woodgas po-

wered vehicles as well as charcoal. It wasn't until 1949 that the company experienced its recovery. There were consistent developments and modernisation up until the beginning of the 1980s, even going beyond European borders. Working together with partners in Africa and the Far East contributed to the advancement of the business.

Then, however, the 4th April 1984 brought the darkest day in the company's history: a large fire destroyed the entire saw mill. The new factory wasn't operational until two years later. From the 1990s, the business finally focused on commissioning glue laminated timber beams, and shuttering panels were also incorporated in

the range of products. By taking over Konstrukto, Holz Pfeifer has become an all-round provider of glue laminated timber beams as commissioned or block goods.

Looking to the future.

In the following years, the optimisation of the equipment and the logistics were consistently addressed. In order to best meet the current market situation, production was centralised to the factory in Höchstädt. The rented site in Bobingen will be closed by the end of 2008, the machines will be integrated into the Höchstädt factory. We are currently working on setting up a call centre for dealing with smaller orders. ■

HOLZ PFEIFER UNDER THE PALM TREES

> *Asia. The search for new markets also leads eastwards. Holz Pfeifer found what it was looking for in India and Thailand. Here, the economy is booming.*



Visit from India. International Sales Manager Hans Zwerger and his Indian guest agree: Asia is a market full of potential. They are looking for quality products for the construction of infrastructure. Personal contacts are critical.

New markets have to be found first. With a population of over 1.1 billion, India, like the entire region of South-East Asia, has a very high potential for economic development. Holz Pfeifer has therefore been focusing on the Indian and Thai markets. Both states are on the brink of a new economic direction. Large sums are being invested in the creation of new infrastructure such as airports and road networks. Steel is often a scarce building material. This gives Holz Pfeifer a great opportunity. Even for large projects, wood can play a role as a cost-effective alternative.

Growing market.

In 2008, Holz Pfeifer delivered no less than 200 containers of S20 formwork beams to its largest customers in India alone, with a total value of around 6.5 million Euros. Around 250,000 running meters were used for building work on the new airport in the metropolis of New Delhi. But it's not just formwork beams which are flying off the

shelves. Glue laminated timber beams and 3-ply shuttering panels are also being used on the subcontinent.

In order to generate new business, personal contacts are very important. Hans Zwerger, International Sales Manager at Holz Pfeifer has therefore now travelled to India several times in order to maintain and intensify customer contacts.

Generating trust.

Another important goal of such trips is to convince the customers. The previous way of working in countries such as Thailand are miles apart from European standards. Boards are nailed together and used as formwork, and bamboo wood, a local material, is frequently used, particularly in Thailand. It is therefore important to instil confidence in the foreign products. Whilst the quality is often not questioned, constructors here and in Europe are interested particularly in cost. Holz Pfeifer has been convincing in this regard too. The foundation for a successful future in India and Thailand has been laid.

ALL ENGLISH

> *1001 building sites.* A literal building boom has broken out in the Persian Gulf over the past years. Holz Pfeifer is heavily involved.



Dubai is one of the countries in which the construction industry is booming. People are constantly coming up with new superlatives.

INFO

ARAB MARKET

At Holz Pfeifer we are engaging with the Arab market. Brochures are translated into Arabic. We also exhibit at the various trade fairs in the region, such as in Dubai and Riyadh, the capital of Saudi Arabia.

Pictures of various large projects in Dubai are going around the world. Be it the tallest building in the world, an artificial island shaped like a palm or bold architectural hotel buildings such as the Burj al Arab. A fact which is becoming increasingly well known: Dubai in particular is no longer merely relying on the oil industry. Tourism has taken on almost just as important a role. This is another reason why the Middle East has been experiencing a building boom for some time.

This is by no means a secret any more, and competition from around the world is accordingly high. Holz Pfeifer still managed to score points with its high quality products and ideal service provision. The working environment is

very international, and the dominant language is therefore English. No wonder, when merely 300,000 of the four million residents are originally from Dubai.

Cost-efficient and high quality.

In the Persian Gulf, Holz Pfeifer is also active in Kuwait, Bahrain and Qatar. The region became rich thanks to the large crude oil reserves, and this wealth is now also being invested. However, this does not mean that money is no object. As is the case anywhere in the world, it is the best provider who lands the project. The competition from China has meant that there is high pressure on prices. However, low prices are not allowed to affect the quality of the product. Recently, certain quality standards have been

made legal requirements. This also aims to avoid accidents.

A handshake matters.

On the other hand, these regulations benefit Holz Pfeifer. We ensure the quality of our products by using the most up to date production methods and employing internal and external control procedures. Another important point which should be noted for business deals in these countries: a handshake counts more than a contract. Personal contacts to customers are therefore very important. Holz Pfeifer is expecting the boom in Dubai to continue until 2015. We need to be able to deliver here at short notice. We are planning two storage halls for formwork beams in Qatar and Saudi Arabia for 2009 with our present partner in the regio. ■

TRIUMPH OF THE S20 FORMWORK BEAM

> *S20 formwork beam in Russia. Thanks to its applicative advantages, the quality formwork beam has become a smash hit for exports.*



Russia is the largest country in the world. At the same time, the giant in the East is a future market for many European businesses. Including Holz Pfeifer. We are currently in contact with five different partners in the country. However, Russia has more than enough wood itself, with Siberia being one of the largest forest areas in the world. It is therefore obvious, that the Russian wood industry also produces formwork beams. The difference to Austrian or German products, however, is one very important point: the latter are simply of superior quality. This makes Russia a market with potential for the future.

Quality goods.

The S20 formwork beams in particular are convincing more and more foreign customers. The wood used is dried very carefully and bonded with a waterproof glue. Finally, the surfaces are treated with synthetic resin in order to ensure maximum durability. This gives the S20 formwork beam considerable applicative advantages: it is dimensionally very stable and true to size, as well as having a long life, all of which provide impressive arguments for using Pfeifer products. They are also very light, at just five kilograms per running metre. The Stuttgart materials assessment institution ensures that the strict quality requirements are met. The versatile and rational range of application for the S20 formwork

beam make it a smash hit for exports, including Russia.

Global thinking.

The hub for the Russian market is Moscow. Large projects such as the preparations for the 2014 Winter Olympic games in Sochi by the Black Sea are boosting the sales of building materials.

Helped by their geographic proximity, Turkish businesses are particularly widely represented in the Russian market. Here, Holz Pfeifer can build on its existing contacts to partners and customers in Turkey and thereby gain a certain head start. Products sold to Turkish building contractors are also used in Russia. This provides additional incentives for global thinking. ■

INFO

FORMWORK BEAMS

S20 formwork beams are produced at two different sites: The high quality Pfeifer formwork beams are made in the Tyrolean town of Imst and the Hessian town of Schlitz and exported throughout the world.

NEW PARTNERS

> *Latin America.* Holz Pfeifer has been active on the other side of the Atlantic for some time. Now we are ready to take off with a new partner in Mexico.



Personal contacts count: the new partner from Mexico has already visited the head office in Imst.

„In the future, Mexico will increasingly build with wood formwork beams instead of steel. “

Ingo Meitinger



The trade fair stand in Mexico.

In Mexico, working with wood formwork beams is still a completely new concept. It was therefore important to first take confidence-building measure, in order to convince potential customers of the advantages of the Pfeifer products. We now have a new partner to support us with these tasks. The partner will deal with the Mexican market with a sales team of six staff. This cooperation has already lead to the delivery of 50 containers with formwork beams in 2008. A particular merit of having the new partner is the possibility of storing the goods in the country. This allows us to react to orders in a more flexible manner.

Future market.

Mexico isn't the first leap over the Atlantic for Holz Pfeifer. Important future markets include Brazil, where an agreement was made with a new part-

ner in 2008, Chile, Peru and Panama. In 2008, we were able to achieve a 200 percent increase in order volumes in these markets. We delivered 400,000 running metres of formwork beams to Peru alone. The aim is to achieve further growth in South and Central America. We are currently concentrating on work in Brazil and Mexico.

In the area of shuttering panels, there is competition from Brazil, which can not keep up with Pfeifer products in terms of quality. There are only very few competitors from North America, where the focus is on steel for formwork.

No worries for the future.

The future in Mexico is currently looking promising. There are plans to build 10,000 holiday homes by 2015, and head of marketing, Ingo Meitinger, is confident that this large project will revert to Holz Pfeifer products. ■

INFO

MEXICO

The country currently has an estimated population of 110 million and is the agricultural leader of Latin America. In terms of gross national product, Mexico is up at number 12 in the world.

Source: CIA world fact book.

INNOVATION WITH FORESIGHT

> *Pushing for modernisation.* The glue laminated timber beams factory in Imst is being upgraded. Several technological advances are to pave the way for a successful future in glue laminated timber beams production.



Technical advances in production are to make the glue laminated timber beams factory in Imst fit for the future

„Our products have always been way ahead of the usual quality standards.“

Ingo Meitinger

At Holz Pfeifer, we always strive to raise the quality standards for our range of products, and to expand the applicative advantages. It is often the small thing that can effect a large change. This also applies to the production of glue laminated timber beams. The glue laminated timber beams factory in Imst has several trendsetting advances to report.

Pfeifer glue laminated timber beams has always impressed with its excellent quality. The price war, caused by overproduction from the competition, was countered with a quality offensive in order to gain an advantage over the competition in the market. The usual standard requirements have therefore already been exceeded. Now, innovations are to push quality to another level and help to extend the lead over the competition.

Standard measurements and visible quality.

Among other things, our glue laminated timber beams are now produced in standard measurements. This product feature is particularly important for customers whose beam equipment is only compatible with standard sized raw products. Pfeifer therefore takes the European standard EN14080, which will become compulsive on 1st April 2009 for glue laminated timber beams. Until then, there is still a transition or coexistence phase, but the Pfeifer group is already armed for the future. The aim for these European standards is to harmonise the regulations for the different building materials in the EU area.

As mentioned previously, Pfeifer has always produced glue laminated timber beams of exceptional quality. The step towards manufacturing glue laminated timber beams with visible

quality was therefore not a large one. Thus, we have also been producing revamped goods since 2008.

Whilst the production of standard quality sometimes had knots which could affect the outer appearance of the glue laminated timber beams, we now also offer an optically perfect product. This was done using a new flick station, which automatically recognises knots and black branches in the wood and then corrects these – an important improvement in quality, as glue laminated timber beams are used more and more frequently in interior fittings.

Setting the course for the future.

Production techniques aren't the only advances at the glue laminated timber beams factory in Imst. For example, from January 2009 a newly installed coiling machine will be put into operation. The glue laminated timber beams packages will then be sent out completely covered in packaging, improving protection against wind, weather and also dirt.

Another contribution to the control of quality standards is given since July 2008 by labelling all glue laminated timber beams items with CE labels. This labelling shows in which step the glue laminated timber beams were manufactured, and who was responsible for the production. With all these advancements, important conditions were set in the Imst factory for a successful future in glue laminated timber beams production. ■

INFO

GLUE LAMINATED TIMBER BEAMS

Pfeifer glue laminated timber beams are the result of many years of experience in handling wood. The latest production methods ensure the highest quality and incredibly versatile applications. As a raw material, spruce only has eight to twelve percent dampness. A special environmentally friendly melamine formaldehyde resin allows the wood to be glued so that it is less susceptible to being influenced by the surrounding climate. By microwave hardening the wood, glue laminated timber beams are also environmentally friendly.





CONVERSATIONS MARKETS AND PEOPLE

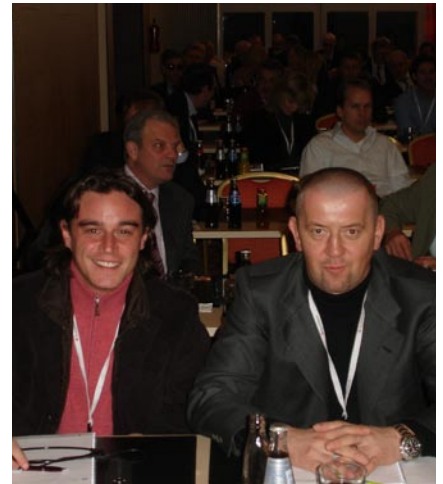
> *EUROBLOCK forum.* In January 2008, EUROBLOCK Verpackungsholz GmbH again hosted a series of presentations on the future of the wood industry.



There was great interest in the 7th EUROBLOCK forum



The time between the presentations was used to brush up on old contacts and to make new ones.



Even the representatives from Holz Pfeifer were able to gain some interesting information.

There is a lot to discuss in the wood industry: the question of raw material resources, the developments in the area of renewable energy sources and the role which wood can play, as well as the advancements in opening up Europe with all the opportunities and risks this brings. These issues were the subject of the seventh EUROBLOCK customer forum, organised by EUROBLOCK Verpackungsholz GmbH. Managing director of Heggenstaller and EUROBLOCK, Ulrich Feuersinger, hosted the event at the Munich Airport Marriott Hotel in Freising.

Over one and a half days, top-class lecturers spoke about their views on interesting questions of the future. The subjects of the ten lectures were very varied. The agenda included recent news on technological trends in the area of saw mill technology through to a presentation by the well-known FIFA referee Dr. Markus Merk about decision making in management. Topics from the current political situation in Europe were also discussed. This part was led by Prof. Dr. Lothar Späth.

Volles Programm.

The sixth EUROBLOCK forum took place in January 2006, but according to Ulrich Feuersinger, much has changed in the meantime.

On the first day, after the formalities of registering and a short welcome, the event got quickly underway. Seven lectures were on the agenda. On the second day, Prof. Dr. Bernhard Fleischmann first gave a talk on development trends in logistics, followed by a lecture by Prof. Dr. Lothar Späth on questions of globalisation and European politics. The remaining time until the joint concluding lunch was used for market discussions.

Target met.

Even the time between the lectures was used by the participants in the forum. Old contacts were brushed up and new ones made. This alone fulfilled one of the main aims of the event articulated by Feuersinger: to develop a platform in the industry and support "the opportunity to exchange ideas and make personal contacts". ■

INFO

THE LECTURERS

- Dr. Hubert Röder, Pöyry Forest Industry Consulting GmbH
- Thorsten Leicht, Pöyry Forest Industry Consulting GmbH
- Prof. Dr. Carl Christian from Weizsäcker
- Christian Rakos, proPellets Austria
- Martin Huber, LINCK Holzverarbeitungstechnik GmbH
- Thomas Bittner, Mühlböck Holz Trocknungsanlagen GmbH
- Dr. Markus Merk, FIFA referee
- Prof. Dr. Bernhard Fleischmann
- Prof. Dr. Lothar Späth

A PERSONAL VIEW

> *Tours and guests.* Transparency and responsibility towards the public – Holz Pfeifer is staying true to this motto. The doors of the company have been opened for numerous visitors.



The Konstrukto company at Pfeifer

N Close to customers, close to partners, close to interested parties – Holz Pfeifer is staying true to this motto with regular tours of its factory: Be it for high-ranking figures, staff from its own companies, schools or representatives from partner companies who visit the business – Holz Pfeifer fulfils its responsibility to the public and shows transparency in all areas. This allows synergies to be discovered and used, allowing an ideal exchange between and with the parties. For example, the staff from Konstrukto GmbH & Co. KG, part of the Pfeifer group since 2001, have visited Imst. It included a tour of the formliner and girder factory as well as the glue laminated timber beams and natural wood panel factory in Imst as well as a trip to the branch in Kundl. The joint lunch allowed everyone to get to know each other.



Company Bettschen in Unterbernbach

Company Bettschen from Reichenbach in Switzerland visited the Unterbernbach factory in June 2008 – a successful day despite the rain. ■

WELL-ATTENDED POLITICAL VISIT



Ex-LH DDR. Her wig van Staa visits.

The former Tyrolean Landeshauptmann (governor) and current chairman of the Landtag (parliament) DDR. Herwig van Staa did not miss the opportunity of being shown the entire Holz Pfeifer factories in May 2008.



Company Stark with Company Holzin at Pfeifer.

The Swiss company Stark, along with the company Holzin visited Holz Pfeifer in Imst.

AUSTAUSCH



Meeting with South Tyrol

On 3rd October 2008, Pfeifer wood industries hosted the committee meeting for Tyrolean wood industries. This was followed by a meeting with the South Tyrolean saw mill and wood businesses – for technical chat, exchange and to get to know each other. The South Tyrolean guests presented hand crafted host gifts.

PERFECTLY TRAINED

> *Staff training.* A company's biggest assets are its staff – and we emphasise further training accordingly.

The better the staff, the better the business. Holz Pfeifer is staying true to this maxim: Staff is kept up to date with regular internal and external training, providing a basis for a committed and independent team. "We are engaged in a constant exchange with the operations managers and foremen, who take on incre-

asing responsibilities, putting the business on an ever broader footing. If the staff are shown trust, they often have the best ideas and the motivation increases noticeably throughout all operations and to all ranks", according to managing director Michael Pfeifer. Business management also means staff management – of the highest level. ■

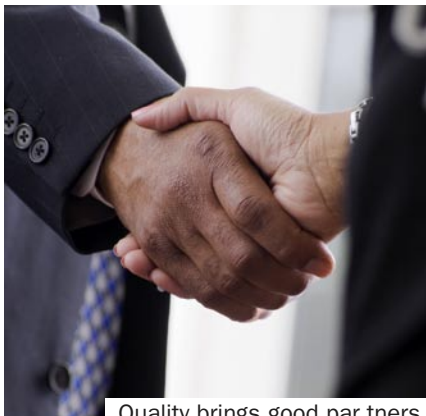


Training operations managers.

TOP GRADE

> *Customer satisfaction.*
Satisfied customers review Holz Pfeifer.

Quality can be measured – and Holz Pfeifer doesn't have to be afraid of the result, as new data has shown. One of the group's largest partners gave the business top grades: the supplier review addressed the quality of the supplied products as well as keeping to deadlines – and Holz Pfeifer achieved the best possible rating for both. ■



Quality brings good partners.

SEEN INTERNATIONALLY

> *Trade fairs.* Holz Pfeifer is represented internationally at all the major trade fairs. A journey.



Holz Pfeifer was also represented in Doha.



At the Progetto Fuoco trade fair in Verona

Customer satisfaction functions primarily through personal contact. This is one reason why Holz Pfeifer is represented at all the important trade fairs internationally every year. Of course this also requires cultural know-how: being able to confidently navigate the international floor is just as much part of the service to the customer as providing the perfect services and products. ■



At the Edil Levante Costruire trade fair/Bari.

CELEBRATED AND HONoured

> *Staff honours.* Numerous deserving staff were honoured at the 2007 Christmas celebrations.



The honoured staff in Kundl.



The honoured staff in Imst.

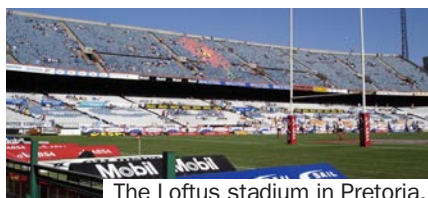
Quarter of a century of loyalty – time for Holz Pfeifer to honour its long-serving staff. As part of the 2007 Christmas celebrations, we honoured Andreas Gwiggner and Richard Prantl from the Kundl factory as well as Herbert Raich and Franz Tilg from the Imst factory. The 2008 Christmas celebrations will also see several members of staff being honoured, celebrating their 25th anni-

versary of working with us.

These are Peter Berger (saw mill Kundl), Gerhard Gratt (management Kundl), Gottlieb Kirchmair (logs Kundl), Markus Schuler (shuttering panel factory Imst) and Erwin Schnegg (accounting Imst). "Our success is due primarily to the dedication of our staff" acknowledge the managing directors of Holz Pfeifer. All the more reason to celebrate them. ■

EC 2008 AND WC 2010

> *Holz Pfeifer in Vienna and South Africa.*



The Loftus stadium in Pretoria.



The game was enjoyed by all.

South Africa will be ready" declared the South African president Thabo Mbeki in September 2008. The preparations for the World Cup in 2010 are in full swing. The overall volume of investments for the world championships, according to South Africa's application documents, will be 825 million US dollars. After all, it is not just stadiums that are being built and modernised, parts of the infrastructure have to be built from

Scratch. Among others, South Africa is also taking advantage of Pfeifer's know-how. More than 50 containers of formwork beams were delivered to a partner involved in the building of a stadium. We also immersed ourselves in the football atmosphere of the 2008 European Championships: representatives from Holz Pfeifer watched the encounter between Austria and Germany together with customers. ■

THE PROFESSIONALS MEET

IN ITALY



Meeting of representatives in Foligno.

Thanks to the new sales track, sales figures in the area of glue laminated timber beams for Italy in 2008 achieved an increase of 30 percent. A further increase of 20 percent is expected for 2009 by improving the product. This is remarkable, as the sales team in Italy was put together within just two years. Now we are working on the expansion of the sales team for formliners in Italy – this was on the agenda of a meeting of representatives in Foligno along with product training and other topics.

IN FRANCE



Meeting of representatives in Strasbourg.

The meeting of representatives in Strasbourg (France) took place from 16.09.2008 to 17.09.2008. We have been working with this sales organisation successfully for two years: France was originally not a strong market for glue laminated timber beams, but now we have managed to build a customer base. Five shipments of glue laminated timber beams are delivered to France every week. The meeting in Strasbourg covered organisational topics as well as the strategy for the coming year in France.

MULTIFACETED WOOD

> *Single-ply wood panels.* Wood as a building material is on its way up. No wonder: the advantages of single-ply wood panels with their varied applications are convincing.

You live as you build. It is therefore all the more important to choose the right building material. One material which is up and coming is the solid wood or 3-ply wood panel. Not only is it functional and attractive, wood as a building material also ensures comfortable wellbeing, exudes warmth, ease and a connection to nature. The latter is true not just due to the natural material, but also because of the favourable energy use during the production of single-ply wood panels: any cut-offs during production can be used to generate heat on site, and the resulting energy can be put straight back in to the production process. Single-ply wood panels also have a positive effect on room hygiene due to their antiseptic nature, they absorb pollutants from the air and further regulate the indoor climate as wood is deliquescent, meaning that the humidity of the air is regulated naturally. These and several other advantages speak for the use of single-ply

wood panels.

In order to engrain these advantages in the public mindset, the initiative for single-ply wood panels was set up in 2003. Holz Pfeifer is actively participating in this project, as it put into operation the 3-ply wood panel factory in Imst as early as 1985. The main aim of the initiative is to increase awareness of the advantages of wood products. The wide range of applications of single-ply wood panels – be it for external or balcony cladding, cladding of walls or ceilings, stairs, furniture, floorboards, doors and many more – is particularly noteworthy, as the available formats allow the panels to be used in almost any situation. As there is a widespread suspicion of derived timber products releasing too much formaldehyde into rooms, there are special inspection guidelines – which the Pfeifer single-ply wood panels passed with flying colours. “The regulation of the release of formaldehyde took place according



Wood panels from Pfeifer.

to test chamber method EN 717-1 by the development and testing laboratory Holztechnologie GmbH. The results show that we fulfil the requirements of 0.05 ppm and can thus be entered on the list of derived timber products low in formaldehyde” engineer Matthias Salner, quality and safety supervisor at Holz Pfeifer explains. ■

THE PELLETS ARE COMMING

> *Pellets.* The fuel of the future is taking off.

Dramatic rises in crude oil prices are making alternative energy sources increasingly interesting. Leading the way are biofuels, such as pellets. Dry and clean planning chips are pressed into pure, hard wood pellets under great pressure by state of the art equipment, are not just in demand in this country. World-wide demand is on the rise. Take Italy for example: imports rose by 400 % in the space of four years.

In 2007, 240,000 tonnes of pellets were specially imported from Austria.

As demand for the innovative fuel is also rising in Austria, South Germany and Switzerland, the Pfeifer group put into operation their fourth production plant in Imst in August 2008. The Pfeifer group now has an annual production capacity of 345,000 tonnes of pellets at four sites (Imst, Kundl, Unterbernbach, Thranov). ■



Pellets – an ideal alternative energy.

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