

Press release

Upturn for Wilkhahn: marked growth in market shares and turnover with increasing tendency.

Bad Münster. Office furniture manufacturer Wilkhahn is ready to take off: following two years in which the office furniture industry had to bear a severe decline in turnover, business at Wilkhahn is improving contrary to the general market trend. Since the beginning of the year, the company has registered a 12.3% increase in turnover compared with the previous year.

The renowned office furniture manufacturer had already dealt with 2003 much better than the overall average in the industry: it posted a turnover of € 68 million and thus almost equalled the level of the previous year (€ 68.3 million). Considering the office furniture industry in general suffered a double-figure decline in 2003, this good news for Wilkhahn means an increase in market shares of over 10%. For 2004, the company even expects a double-figure growth in turnover in spite of a persistently difficult market situation. New products, variable product concepts in the contract furnishing segment and working the global market with greater intensity are to provide the upward trend with even greater momentum.

Director Holger Jahnke attributes this positive development to the excellence of Wilkhahn products in a growing market for high-quality products, the concerted implementation of market strategy and the consistent cooperation with specialist dealers.

Jahnke elucidates the strategy in the German market as follows: "In Germany, Wilkhahn sells exclusively through specialist dealers, as high-quality products need to have the assurance of being supported by a qualified consultation and specifying service. In turn, specialist dealers need our products to be able to distinguish themselves in the competitive field and thus underline their competence".

He adds that the product strategy is also marked by the same strategy. Increased investment in recent years in product development is beginning to show rewards. The following are just two excellent examples of this success: the Solis office chair range, already winner of numerous awards and successfully used in many projects, and DinA, the new table and storage unit range that already won an award in May last year even before it went into serial production.

Jahnke: "Our goal is to be a market maker and not a victim of the market. Whilst most manufacturers are concentrating mainly on reducing prices and cutting costs and thus making themselves ever more comparable with one another, we are creating new standards which themselves clearly stand out against competitors and thus allow our customers to distinguish themselves from the rest of the industry too."

Recently acquired projects therefore cover almost all fields of service and industry: ranging from the motor components supplying industry, through semi-luxury goods and fashion, pharmaceuticals and museums, from internet providers through daily newspapers and publishers to broadcasting stations, from management consultants through prominent firms in the legal and banking field to chip manufacturers.

Names such as the World Bank, Siemens, Nike, Philip Morris, Airbus, Infineon, Ernest & Young, the French PSA Group or Shell go to show that Wilkhahn is also playing a successful role in the large-scale contract furnishing business.

It is once again Wilkhahn's global positioning that is paying off. Particularly the markets in Spain, England, Japan and Eastern Europe have shown considerable increases. New subsidiaries in Singapore, Hong Kong and Malaysia work the Asian market as branches of the Australian subsidiary. Furthermore, many international projects have been made possible due to the global Wilkhahn network on all continents.

In spite of a difficult general market situation, Jahnke expects a positive year for Wilkhahn. "Capacity adjustments have been finalized and new structures have been implemented with a market-oriented focus. Costs are under control, our new products are convincing and the atmosphere in Sales is excellent." Above all, our specialist dealers are realizing that their greatest chances for the future lie in the consultation-focused, high-quality field, hand in hand with a partner that is one hundred per cent predictable and reliable. Retail business with Wilkhahn products is also showing clear signs of recovery again.

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