

Georg Emprechtinger

**Vice chairman of the Austrian furniture industry and managing director of TEAM 7
Statement regarding the household furniture industry**

Crisis and chance

The situation

Considering the macroeconomic status quo, the household furniture industry is in a surprisingly good position, despite slightly declining exports. This is mainly due to the high quality image developed by the Austrian manufacturers, as values that provide security are essential in this crisis.

TEAM 7 achieved a 4 percent increase in turnover last year, resulting in an annual turnover of 65 mio. Euro. We attribute this success to the unique positioning of our brand, which stands for award-winning design, lasting naturalness and technical innovation. We currently even see a double digit revenue growth in the domestic market. Germany is a very important export market for us and this market seems to be at least stable. Collapsing markets such as the United States, the UK, Japan, Eastern Europe and Russia remain turbulent. Italy also remains unstable due to the current economic situation.

...and the prospects

A continuing decline has to be expected. Yet the Austrian household furniture manufacturers have a good chance to remain competitive. Today's customers question the credibility of a brand very critically. This desire for authentic high-quality furniture with ethical values offers a unique chance for honest products to emerge even stronger from this crisis.

Quality of life and investment security can only be provided by high-quality furniture with timeless design. It has to be functional and take flexible living and design concepts into account. The height-adjustable designer kitchen k7 is an example which will open new target groups for us.

TEAM 7's investment volume for 2008/2009 amounts to approximately 11 mio Euro. The number of employees increased up to 570. Healthy corporate development and the level of awareness for our brand make us optimistic and provide us the freedom to act.

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