

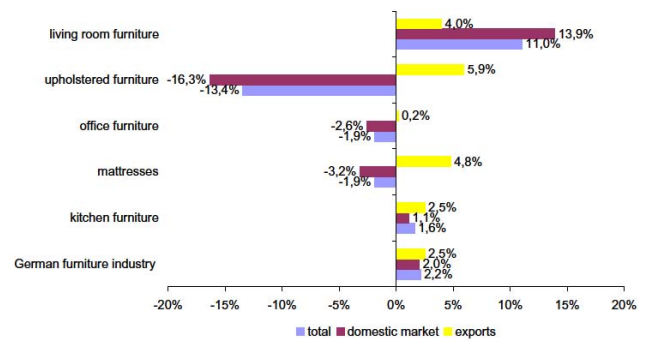
2010

German furniture industry Market Briefing

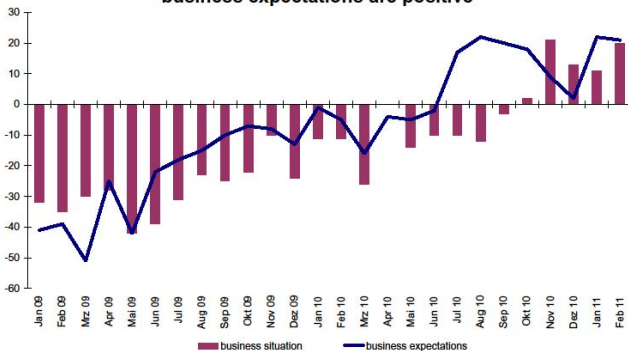
German furniture industry in 2010: plus 2.2 percent

The German furniture industry reported a small increase last year. The turnover of the furniture industry recovered by the end of 2010 and achieved an increase of 2.2 percent. In 2009, a decrease of 11.4 percent was recorded. A significant decrease was once again in upholstered furniture, which dropped with a minus of 13.4 percent, partly due to statistical restructuring. Also slightly negative, the office furniture and mattresses with a minus of 1.9 percent. The living room furniture performed better with an increase of 11 percent and the kitchen furniture with a plus of 1.6 percent. The general turnover of the German furniture industry amounted to € 15.8 billion in 2010, generated by 151.000 employees in 1000 companies.

German furniture industry 2010:
plus 2.2 percent



Business situation and
business expectations are positive



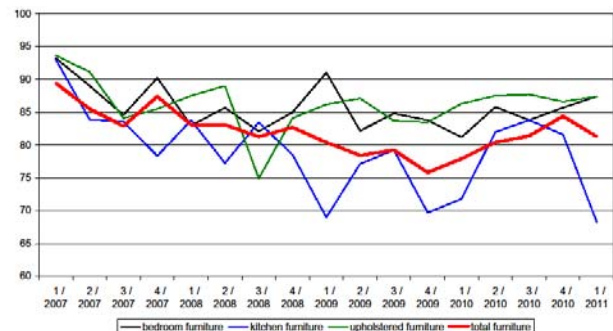
Business situation and business expectations: positive

The business climate of the furniture industry has shown further improvement. Currently, the ifo business situation indicator is above 20 points. In the previous month, there were only 11 points and in September of last year, a negative value was recorded. Business expectations are impressive. The ifo business expectations indicator fluctuates currently at 21 points, in January it was at 22 points. The upward trend of recent months seems to solidify slowly.

Capacity utilization fell slightly

Capacity utilization in the furniture industry sinks from 84.4 by the end of 2010 to 81.3 percent in the first quarter of 2011. The main reason for this is the kitchen furniture that is dropping from a 81.6 to 68.3 percent. Declines also recorded chairs, which yielded 79.5 to 73.6 percent, and office furniture with a minus of 1.1 percent to 87.8 percent. At a stable level are bedroom and upholstered furniture, which increased from 85.7 to 87.4 and from 86.6 to 87.4 percent.

Capacity utilization fell slightly



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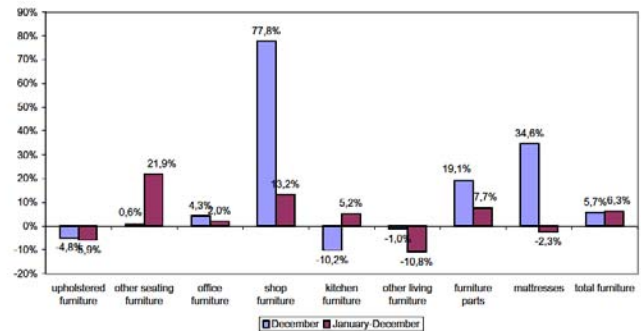
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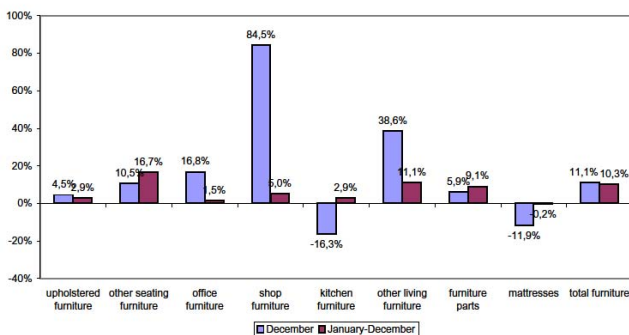
2010: German furniture exports grow by 6.3 percent

For the full year 2010 there were 6.3 percent more German furniture exports. In December 2010, exports rose by 5.7 percent. A highlight of the month: Shop furniture, mattresses and other furniture exports recorded a plus of 77.8, 34.6 and 19.1 percent over the same month last year. Over the full year, the sectors of living room, dining and bedroom furniture, upholstered furniture reported negative numbers: minus 10.8 and minus 6.9 percent. The export value of the German furniture industry amounted to €7.9 billion in 2010.

2010: German furniture exports grow up by 6.3 percent



German furniture imports 2010: plus 10.3 percent



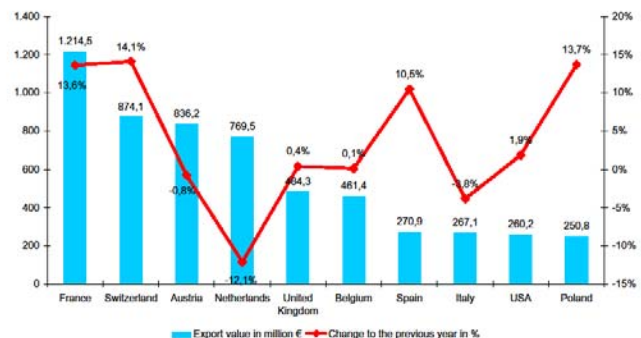
German furniture imports 2010: plus 10.3 percent

German furniture imports continue to increase: Imports increased 2010 by 10.3 percent. December was even better: 11.1 percent plus are here in the books. The market share of foreign furniture shows steady growth. A record by the shop furniture sector in December: they rose by 84.5 percent compared to the same month last year. December was also a good month for living room, dining and bedroom furniture and also for office furniture. They were up by 38.6 and 16.8 percent. December produced negative figures for kitchen furniture (-16.3 percent) and mattress imports (-11.9 percent). German furniture imports amounted to €8.9 billion in 2010.

France and Switzerland: Top markets for German furniture in 2010

The main export markets for German furniture industry in 2010 were France, Switzerland, Austria and the Netherlands. While in France (+13.6 percent) and Switzerland (+14.1 percent) the numbers are on growth, Austria and the Netherlands are lagging behind the positive development. Following Austria, 0.8 percent in the crisis-ridden Netherlands exported 12.1 percent less furniture. The largest growth was recorded in export to Poland and Spain, with an increase of 13.7 and 10.5 percent. All other markets - except for Italy, with minus 3.8 percent - were up slightly.

France and Switzerland:
Top markets for German furniture in 2010



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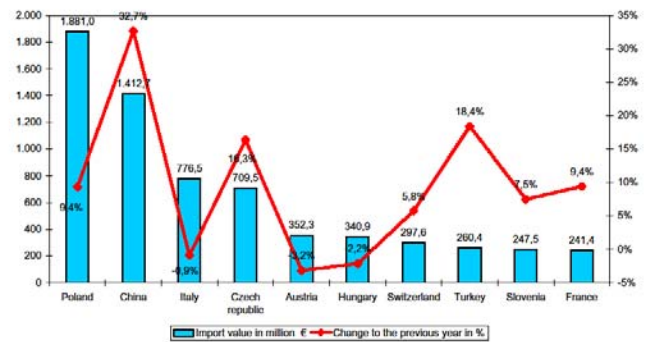
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German furniture imports from China growing rapidly

Poland, China, Italy and the Czech Republic are currently the major source countries for German furniture imports. In 2010, imports from Poland, China and the Czech Republic increased visibly. Growth in imports from Poland amounted to 9.4 percent compared to 2009, imports from China were up by 32.7 percent and imports from the Czech Republic by 16.3 percent. Also, imports from Switzerland, Turkey, Slovenia and France were positive. Imports from Italy (- 0.9 percent), Austria (- 3.2 percent) and Hungary (-2.2 percent) decreased slightly compared to 2009.

German furniture imports from China growing rapidly



Top 10 growth markets 2010
(Export value > € 50 m, Growth rate > 10%)



Top 10 growth markets 2010

Plus 13.6 percent for France and an increase of 14.1 percent for Switzerland: These two candidates lead the Top 10 growth-markets of the German furniture industry in 2010. The graph shows markets with an export value of more than 50 million € and with a growth rate of more than ten percent. Spain, Poland, Sweden and Russia follow the other places. At the end of the top 10, there are China, Portugal, Turkey and South Korea. On the other hand, Turkey and South Korea are growing - with relatively low export value - 67.3 and 63.6 percent faster than other markets.

Slowdown of economic growth

Economic growth in Germany slowed down in the fourth quarter of 2010. After an increase of 2.2 percent in the second and 0.7 percent in the third quarter, economy grew between October and December 2010 by only 0.4 percent. A key factor to the slowdown was the weather-related drop in construction by 3.9 percent. In addition, however, the private consumption expenditure fell slightly. While the household expenditure in the third quarter was 0.5 percent more, in the last quarter - despite Christmas sales - there was only a plus of 0.2 percent.

Economic development in Germany 2006-2010
Rates of change of GDP/consumption in per cent on the previous quarter



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