**2016 Financial Report:**

**Häfele Group increases revenue by 3.1 percent – USA and India are highlights**

**Positive development in nearly all markets**

The international Häfele Group for hardware technology and electronic access control systems continues on its growth path. In the past year it generated a revenue of 1.311 billion Euro (2015: 1.271 billion Euro), which corresponds to an increase of 3.1%. “When adjusted for currency effects, the increase was actually 6.1%. In light of the general global conditions in 2016, this is a most welcome success,” says Sibylle Thierer, head of the executive board (CEO).

The 37 international subsidiaries (+3.2%) as well as the parent company and the six production factories in Germany and Hungary (+3%) all contributed equally to this growth in revenue. Nearly all the markets in which Häfele is active had a positive development and, accordingly, were able to increase their revenues. The USA and India saw particularly strong growth. Asian markets once again recorded above-average growth rates, just as they had done in the previous years.

**National example for occupational integration**

The number of the company’s employees worldwide has increased by 200 to reach 7,300. In Germany, the number of employees remained unchanged at 1,600. Given the large task of integration Germany is facing, the Häfele parent company enlarged their training offer by twelve additional apprenticeships for young refugees from nine countries. They are now completing a two-year apprenticeship to be warehouse clerks. Häfele has been recognised for these new apprenticeships by Detlef Scheele, the designated head of the Federal Employment Agency (Bundesagentur für Arbeit), as a shining example in Baden-Württemberg and as a national example in the matter of occupational integration. Managing Director Sibylle Thierer, who has led the mid-sized family company since 2004 as the
3rd generation to do so, explains this commitment: “We feel obligated to make a contribution to the integration of young people.” As one of the largest companies in the region, Häfele has devoted a lot of effort towards the dual system of training for decades.

But Häfele has not only attracted positive attention for their training and integration. In addition, the Foundation for Family Businesses in Germany and Europe distinguished the hardware fittings company as one of the best family-run companies in Germany.

**Häfele generates 79 percent of its revenue outside of Germany**

With 37 international subsidiaries and numerous other sales organisations worldwide, Häfele operates in over 150 countries. Today, the company generates 79 percent of its revenue outside of Germany. The products and services of the corporate group are used by the world’s leading furniture manufacturers, architects and planners, joiners/cabinet makers and dealers. The high level of international product and market expertise allows the company to create better product ranges tailored to specific markets. These products are then manufactured in one of the company’s six production facilities or in line with the “Häfele German Quality standards” at one of the locations of their 1,500 partners spread around the globe.

**In focus: international product ranges**

In addition to market-oriented product ranges, the Group is focusing on the development of their own house assortments, available worldwide. Loox LED lights and the Dialock electronic access control system linked with guestroom control and smartphone keys provide the company with further opportunities for growth. These assortments make valuable contributions to additional convenience in buildings and furniture, and represent Häfele’s dynamic, innovative strength. “‘Thinking ahead’ is our commitment. Its essential components include the continuous interaction with new technologies and the acquisition of expertise in new fields,” Sibylle Thierer, explaining the family-run company’s motto.

**Trendsetter for attractive living in a small space**

This claim is also reflected in the company’s interaction with the urbanisation megatrend. In recent years, Häfele has developed into the pacemaker of the industry. Following the motto “More life per square metre”, new ideas are developed for clever hardware fittings and multi-function furniture with innovative design and an optimal use of space, making attractive living and working equally possible in a small space, both in private and commercial environments. Along the same lines, just a few weeks ago Häfele presented the modular “MicroApart 20/30” micro-apartment room model at the BAU 2017 trade fair and attracted the attention of investors and planners.

This type of modular, expandable room situation is the centre point of interest in the international hospitality industry, which is currently in upswing. An organisation for the management of the international and ever more frequent cross-country project business has been built up by Häfele in the last few years and is now proving to be especially useful. The housing shortage has already become a reality in the megacities. As a result, solution approaches and concepts developed in Germany are happily accepted everywhere. “It is our aspiration to make the increasingly complex technology as easy and convenient to use and control as possible for our customers. With this in mind, we also see good opportunities for further growth.”

**Global networking und current challenges**

Our global network has a crucial role in the future viability of the business. Over the past year, Häfele has invested 35 million Euros in markets, logistics and production with the aim of interlinking the various markets. More and more methods of cooperation have been, and continue to be, developed. For example, connecting with technologically adept start-ups, investors, planners and fabricators is at the forefront of these methods. Customers around the world want the newest technology, and like when it comes with the standing of a company that has been successful in the market for decades.

**Outlook for 2017**

The corporate group projects good market opportunities despite the many trouble spots around the world. “We are anticipating a mid-single digit increase in revenue,” says Sibylle Thierer. The amount of investment of the Group for the coming year will be approximately 40 million Euros. Risks continue to be seen in the volatile foreign exchange and commodity markets as well the growing number of trouble spots, to which a flexible and careful approach will be applied - just as in 2016.

Further information is available from

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Captions:

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The Häfele headquarters in Nagold.

070217\_Fig2\_Thierer\_financial\_report.jpg

Managing Director Sibylle Thierer.

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The Nagold-based distribution centre is the international hub for furniture and hardware fittings and is the biggest of 36 distribution centres in the Häfele world.

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Extreme convenience in 20 square metres. With its MicroApart 20/30 as presented at the BAU in Munich, Häfele is the trendsetter for attractive living and working in small spaces, both in private and commercial environments.

Photos: Häfele

**Häfele** is an internationally organized family owned and operated business with headquarters in Nagold, Germany. It was founded in 1923 and today serves the furniture industry, architects, planners, cabinet makers/joiners as well as dealers in over 150 countries around the world with furniture fittings and architectural hardware as well as electronic access control systems. Häfele develops and manufactures hardware fittings and electronic access control systems in six factories in Germany and Hungary. In the 2016 financial year the Häfele Group achieved exports of 79% with over 7,300 employees in 37 subsidiaries and numerous additional dealerships around the world and revenue of over 1.3 billion Euros.