

History of Business

ELB Timber Products makes and sells pine and eucalyptus veneer, plywood, timber and packaging products.

The Company has a long history of making a range of timber products, dating back more than thirty years. The business was started in 1976 by Niels Rosenfeldt and Mario Garofoli to manufacture laminated wooden furniture and furniture components using veneer to form three dimensionally curved products under the name Woodcreations (Pty) Ltd., in Wynberg, Johannesburg.

In 1985 the business decided to integrate backwards to produce its own veneer and plywood and established its own factory in Lydenburg, close to the Mpumalanga timber growing region. Soon after this, the business invested into the packaging market, acquiring South African rights to a collapsible, re-usable plywood box connected with sprung steel clips under the name Clip-Lok SA (Pty) Ltd.

In 1995 the business Plywood and Veneer (Pty) Ltd., operating out of Kabokweni, near White River, was purchased, expanding initially the business' veneer and later the business' plywood capacity. This eventually became the business Veneercraft.

Formply, a Cape Town based, components business, joined the fold in 1992, ultimately merging with in-house business to become Plycraft in 1999.

The current business took shape in 1999 when the ELB Group Ltd., a JSE listed company, made the decision to invest into the Timber Sector and purchased the various businesses. These were housed as subsidiaries of the company ELB Timber Holdings (Pty) Ltd.

The timber group initially focused its efforts in developing a global fruit bin leasing business under the name Safbin Systems (Pty) Ltd. This combined the South African design and manufacturing packaging expertise with an international sales and distribution network operating out of the UK, Europe and the USA.

By 2003 tough competition, the deteriorating rand exchange rate and the investments required to fund an operation of this size led to a decision to refocus the business' resources in South Africa.

Safbin was closed, the veneer and plywood capacity was expanded and the Ultrabord, thin particleboard business based in Malelane, was purchased to complement the product range offered.

At the same time the packaging business decided not to renew onerous international licensing agreements with Clip-Lok International (CLI) as the patents to the Clip-Lok clip system had expired and no major benefit to the association could be found. The business was relaunched under the brand Clipbox.

Early in 2007 ELB Group indicated that it wished to focus its efforts on its core businesses in Engineering and Construction Equipment and decided to exit from the Timber business.

At the same time the opportunity for a management buyout arose. Management successfully negotiated with ELB Group to purchase some of the production equipment and concluded a structured management buyout.

Over the course of the next year, non core and loss making divisions of the business were closed or sold and the scale of the business was reduced to a more manageable size.

Plycraft and Ultrabord were sold to competitors in the market and the plywood business in Lydenburg was mothballed and later the properties sold and the key equipment moved to upgrade the White River operation. Clipbox's production line was moved to White River and integrated into the plywood production facility.

Ongoing business out of White River was reduced to an annual turnover of R30 million from a historic turnover for the timber group of approximately R90 million annually. This has however increased substantially in the last year.

The buyout was concluded in May 2008 and has lead to the current business operating under the name ELB Timber Products (Pty) Ltd.

The business continues to operate in close association with ELB Group. It will continue to use the brand name, ELB Timbers, for the next few years. Anthony Fletcher, the ELB Group Chairman continues to sit on the board of the company and the company continues to operate out of offices shared with ELB Group.

Current Structure

The company is currently made up of 4 distinct divisions.

The corporate headquarters that houses the executive, accounting, sales and marketing coordination, distribution, IT, legal, HR and other administration functions operates out of the ELB Group head office situated in Hyde Park, Sandton.

All goods are manufactured out of one of our four factories extending over more than 10,000m² and based in the Kabokweni industrial area, near White River. The plywood and veneer manufacturing plants are operated here under the name Veneercraft. Currently approximately 250 people are employed at the facility.

Also housed here is our manufacturing facility for Clipbox, the collapsible, re-usable packaging business. Clipbox makes its packaging in tandem with the plywood manufacturing process, using the benefits of the technical staff and workshops to provide back up support and expertise.

Clipbox also operates out of our Gauteng depot in Chamdor, near Krugersdorp. This 1,000m²

warehouse provides the convenience of a local depot / distribution outlet in the greater Gauteng market and houses the marketing, administration and design departments of the Clipbox business.

Veneer, timber and plywood products are marketed under the name ELB Timbers, reflecting the close historic and ongoing relationship with the ELB Group. Most stock is kept in Kabokweni with secondary depots in Gauteng (Krugersdorp) and Durban providing top up stock for our customers.

Key Management

Craig Stanton (Managing Director)

Billy Lottering (Technical Director and General Manager - Veneercraft)

Graham Jarvis (Financial Manager)

Pieter Retief (General Manager - Clipbox)