

Steelcase Inc. and Steelcase Strafor Acquire German Manufacturer Move Strengthens the Companies' European Presence

GRAND RAPIDS, Mich., December 17, 1998 - Steelcase Inc. (NYSE:SCS) and Steelcase Strafor Facom S.A. (a French company traded on the Bourse de Paris) today announced that their European joint venture company, Steelcase Strafor S.A. has acquired Werndl BuroMobel AG, the second largest wood office furniture company in Germany. Werndl, based near Munich, has annual sales in excess of \$115 million US (180 million German Marks), more than 420 employees and a 386,000 square foot (36,000 square meter) manufacturing plant. The acquisition of Werndl virtually triples Steelcase Strafor's market penetration in Germany to 6 percent, and enhances its position as Europe's largest office furniture manufacturer.

"Germany is an important market in our global plans, as it represents one-third of the entire office furniture market in Europe," said Bob Black, Steelcase's vice president of European Ventures. "With Werndl joining our team, we will continue to grow our leadership in product and service solutions for our international customers."

Added resources, commitment to dealers provide growth opportunity

Klaus and Thomas Werndl, descendants of founder Wilhelm Werndl, will continue to lead the company and build upon its present direction and identity. They will also join the Steelcase Strafor executive management team. Under their management, Werndl has become the growth leader in Germany. Over the last 12 years, the company has quadrupled its sales. This growth is attributable to innovative products, such as the recently introduced Frisco line, and strong dealer programs, such as the Werndl Office Center concepts.

"Steelcase and Steelcase Strafor bring us global reach, business knowledge, and comprehensive research and development resources," noted Klaus Werndl, managing director of the company. "Add to that our deep understanding of the German market, which stems from more than 100 years of experience, and we have tremendous opportunity for growth."

Klaus stressed that one of Werndl's key strengths is its commitment and service to its dealers. This commitment will be enhanced by the reputation Steelcase Strafor also has for helping its dealers to grow their businesses.

Acquisition opens door to new markets, increased capabilities

"Werndl not only solidifies our strength in Germany, but it also significantly adds to our manufacturing and marketing capabilities in Europe," said Dominique Artaud, president of Steelcase Strafor. "Additionally, we expect to begin to export more product from Germany throughout Europe. Last year, Werndl export sales grew by 25 percent over the previous year."

Steelcase and Strafor Facom, through the Steelcase Strafor joint venture, have manufacturing operations in France, Germany, the U.K., Spain, Portugal and Morocco. The German market is served through Steelcase Strafor's Pohlschroder company, based in Dortmund, and Waiko, based in Durlangen, which is near Stuttgart. Until recently, Steelcase Strafor has concentrated on the steel furniture and seating segments of the market with the Pohlschroder brand, as well as wood systems and storage walls through the Waiko brand. The acquisition of Werndl strengthens the company's ability to serve the wood furniture and systems segment, which represents over 75 percent of the market in Germany.

Steelcase is the world's preeminent designer and manufacturer of products used to create high-performance work environments. The company portfolio includes office furniture, furniture systems, interior architectural products and related products and services. Fiscal 1998 worldwide-consolidated sales, including those of joint ventures, were \$3.26 billion. The company, its subsidiaries and joint ventures employ over 20,000 people worldwide.

Strafor Facom, headquartered in Strasbourg, France, is an office furniture, moveable wall and hand tool company with net sales of approximately \$1.5 billion in the year ended Dec. 31, 1997.