



Samick Music Corp. to Relocate North American HQ to Tennessee

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GALLATIN, Tenn. (February 10, 2006) — Along with state incentives and site preparation funding, the City of Gallatin provided local per-job incentives to help offset high site preparation costs to the company.

Samick Music Corp. recently announced its decision to move its North American corporate headquarters, manufacturing, and primary distribution center to Gallatin. The company, which makes pianos and guitars, plans to relocate some 30 employees while hiring 50-70 people from its new home's labor pool at start-up. A three-year forecast provided by the company anticipates about 25 additional hires each year.

“It seems very fitting that a company that specializes in producing quality music products would find its way home to Tennessee, just 25 miles outside of Music City USA, where quality music is made,” said Gov. Phil Bredesen. “Our efforts at attracting headquarters operations to the state has been met with a lot of success.”

For the past 23 years, SMC has been based in southern California and has acted as the United States and Canadian distributor of Samick Musical Instrument Co.'s products. Over the past two decades, the company has moved from a very small office and warehouse to its present 90,000 square foot facility.

The company, which will invest some \$5 million in its new facilities, will construct a 14,000 square foot corporate headquarters building that will be adjacent to a 200,000 square foot manufacturing and distribution facility within the Gallatin Industrial Center. The company has also purchased an adjacent second tract of land for future expansion.

“We believe that virtually every piano dealer in the United States and Canada will want to offer these American-made pianos to their customers,” said Bob Jones, president of Samick Music Corporation. “The JP Pramberger and Wm. Knabe pianos will be the finest quality made in the United States and will rival most expensive pianos produced in Europe.”

Once in full production, Samick will become the largest North American producer of pianos. By offering such brands as Bechstein, Wm. Knabe, Kohler & Campbell, JP Pramberger, Sohmer, Remington, Conover Cable and Samick and digital pianos under the Kohler brand, SMC has gained a major share of the acoustic piano markets in the United States and Canada.

SMC is also a major factor in the guitar and musical instrument segments of the music business with Samick “Greg Bennett” guitars, Silverstone guitars, Silverstone drums, and Hazelton Band and Orchestra instruments. Samick will manufacture grand pianos and vertical pianos as well as a premium grade acoustic guitar line in its Gallatin facility.

“Over the last decade we have seen the costs of business and manufacturing increase in the Pacific Rim countries,” said J.S. Kim, chairman of SMC's Board of Directors. “The production of premium value products has now become viable in the United States. While lesser expensive and lower value items can still be made in China, Malaysia, or Indonesia, many American consumers are looking for a better quality product.”

The Gallatin Economic Development Agency began working with the Tennessee Department of Economic and Community Development and regional organizations to recruit SMC in November of 2005.

Samick plans to move equipment into its new facility as soon as construction is completed and hopes to be in production by the end of 2006 or during the first quarter of 2007. The company will be leasing temporary office space in Gallatin during construction.

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In addition to Tennessee, Samick officials considered relocating to sites in Indiana, Kentucky, and Ohio.