

Eurofoam

	2000	2001
Sales (in Euro m):	127.4	135.5
Employees:	1,049	1,092
Locations:	47	44

Comfort foam

Generally positive developments within the Eurofoam Group were detrimentally affected by problems in the Comfort business area in Germany. The required reorganisation greatly influenced business activities during the past financial year. However, the countermeasures adopted are already showing initial signs of success.

Development at Eurofoam Austria was extremely positive. Sales were increased despite strong competitive pressure and continuing shrinkage of the upholstery furniture market. A new production hall with office facilities was built for the "pactec" business area, which is primarily involved in the supply of special customer-oriented packaging solutions. The building was commissioned in November 2001 and strong growth is expected to continue in this area during the coming years.

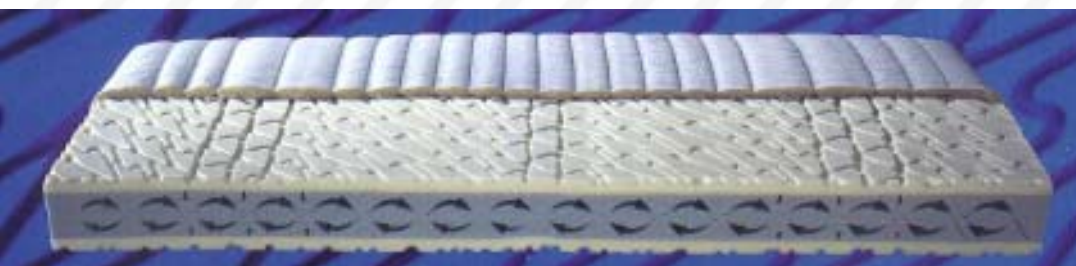
The development and marketing of top quality foam mattress cores, produced according to the latest ergonomic and orthopaedic principles, were also highly successful. A special cutting technology (SMT™) allows the use of a surface structure, which was previously regarded as unattainable. A number of innovations were successfully launched onto the market in the noise prevention area (Linz).

Although confronted by numerous competitors, Eurofoam was able to achieve a record year in Poland, its largest Eastern European sales market. Moreover, in Hungary, the Group retained its market leadership. The situation in Romania developed most positively and Poliflex registered good results.

The converting plants in the various production countries functioned well and the range of foam and services on offer was expanded still further.

Technical foam

Unfortunately, during 2001, this business area, which has been extremely successful over the years, suffered a result setback in its traditional



With its new SMT (Surface Modified Technology) cutting system, apart from brand exclusivity, Eurofoam offers its customers completely new design possibilities with highquality mattress cores.

Austrian and German markets. Above all in Germany (Dusseldorf foaming plant), there were considerable quality and productivity problems. The required action was taken and is starting to take effect. The decline in results was also partially due to a competition related fall in prices for filter foam in the German market. Accordingly, the increases in raw material prices in all business areas could only be partially transferred to the market.

Developments in Poland and Hungary were positive. In Romania, a newly formed sales team, which is concerned exclusively with technical foam products, created a basis for further success.

www.euro-foam.com
www.eurofoam.at



The new built plant of Eurofoam / pactec in Kremsmünster.