

Eurofoam

	2003	2004
Turnover (in Euro m):	137.9	150.1
Employees:	1,206	1,188
Locations:	44	43

Business development 2004

Despite the difficult economic situation in Germany and Austria Eurofoam has succeeded to improve its profit margin significantly by means of further cost reductions and innovative products. Eurofoam reacted to the lower market demand in the comfort sector in Germany by closing two processing plants.

In the second half of 2004 there were massive shortages in the raw materials market, which made the prices for polyol, TDI and MDI climb drastically.

The high demand for foam mattresses remained constant, and Eurofoam could further strengthen this trend by introducing new top-value foam products and new cut variations. Further innovations are in the pipeline for 2005.

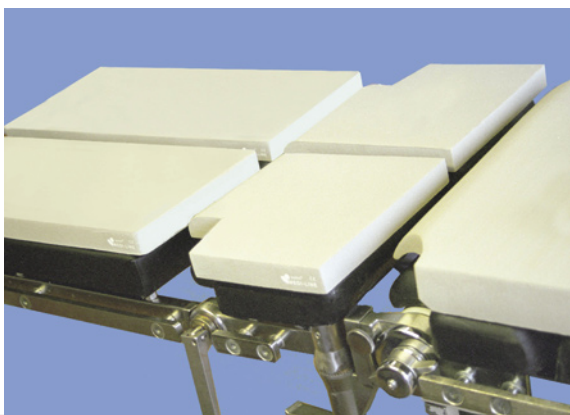
The general trend in the furniture industry to relocate production to the East continues. In

Poland Eurofoam has succeeded once again in increasing the foamed volume and further secured its position as market leader. In case the demand continues to grow it will have to expand its production capacities. Eurofoam's foaming-plant in Poland meanwhile is one of the largest in Europe.

A large investment 2004 was the installation of a new foaming machine in Hungary enabling Eurofoam to expand the range of products. Also, Hungary was able to increase the volume sold in 2004.

Further large investments in the technical foam sector are scheduled for 2005. Despite the tougher competition Eurofoam intends to defend its high market share and expand it even further.

The rapid market growth in Romania requires a further large investment. For 2005 it is planned to start up a new foaming machine, which will improve production capacity as well as satisfy the demand for new grades of foam. Furthermore, expanding the curing racks will generate additional production capacities, and



Washable OP table surface by Eurofoam Kremsmünster / Foam for Care.



Packaging by Eurofoam Kremsmünster / Pactec - this packaging was awarded a nomination for the Austrian National Prize for Packaging.

investments in modern cutting machines will enlarge the processing capabilities.

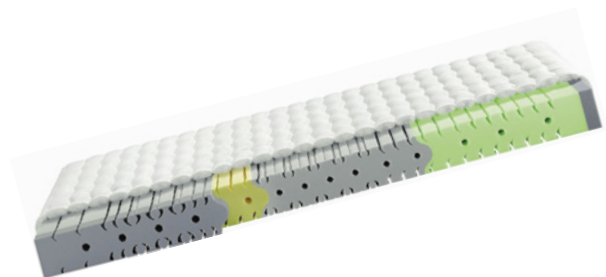
The unconsolidated 16 cutting plants in the Czech Republic, Slovakia, Poland, Lithuania, Ukraine, Romania, Bulgaria and in Estonia were able to show an overall increase in revenue and profit.

Eurofoam's motivated and highly qualified staff forms the basis for further qualitative growth. New innovative products and qualities will open new niches and markets.

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



Indoor swimming pool, Eurofoam Linz / noise protection.



Mattresses - manufactured by Eurofoam.