

Eurofoam

	2004	2005
Turnover (in Euro m):	300.6	341.4
Employees:	2,385	2,464
Locations:	45	45

Business development in 2005

The total market for polyurethane foam remained relatively stable in Austria and Germany. However, thanks to innovations and intensive marketing in both countries, we managed to develop market share in both Austria and Germany.

The market for foam in Eastern Europe grew slightly.

Much higher prices for raw materials in the second half of 2005 forced us to raise our selling prices. Unfortunately, we have not yet been able to fully pass on the extreme increases in our primary products (up to 50%) to our customers.

With its niche policy and new developments for mattress cores and special foams, Eurofoam Austria made a substantial contribution to the very good group development.

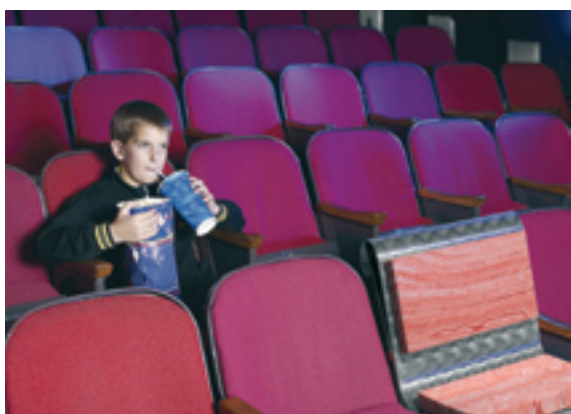
The specialists of Eurofoam Kremsmünster made a breakthrough in using a polyol from a renewable raw material (verenda oil) to produce foam. This new foam is being successfully marketed under the brand name NAWAPUR.

In addition, a fire-resistant foam was developed that complies with the tough Austrian B3800 B1, Q1, TR2 standards and a series of other important international fire norms. This special foam caters for the strict requirements for fire hazards in public buildings such as cinemas, theaters and concert halls, stadia, cable railways and public transport.

The development of light foams and semi rigid foam at our factory in Linz enabled us to successfully increase revenues in the automobile supply industry.

Restructuring measures in Germany are bearing their first fruits, with turnover and profit markedly over budget.

The excellent progress of our Polish plants and the first capacity bottlenecks make major investment necessary in 2006.



Eurofoam deflammo FF is classified under Austrian standard A3800 as barely flammable (B1) and low-smoke (Q1). The new foam combines maximum fire safety and convenience to a high-tech product. It can be used in cinemas, theaters and concert halls, stadia, vehicles, cable railways - there are no limits to the imagination!

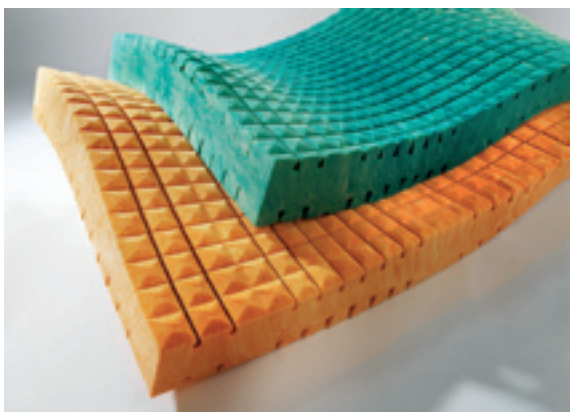
In Hungary, production is coming along well on the foaming machine installed in 2004. We are now in a position to offer a larger range of products. A new production hall for technical foams has also been installed.

In Romania, the foaming plant was extended and new curing racks were installed. This means that the plant is even better equipped to meet the future requirements of our customers. A steady extension of our activities and targeted market development in Serbia, Moldavia and Bulgaria are creating further growth.

The unconsolidated converting plants in the Czech Republic, Romania, Estonia, Poland, Slovakia and the Ukraine generated positive results once again.

In 2006 we expect further growth in East European markets. New innovations and special qualities plus very well qualified and motivated employees will help us to achieve our very ambitious targets for 2006.

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



NAWAPUR energy foam is revolutionizing sleeping quality. A mattress core consists of at least 22% verenda oil, obtained from a naturally renewable plant.



Audiotec absorbers are excellently suited to improving acoustics and reducing noise levels in manufacturing and multi-purpose halls. They are moreover individually shape-able.