

	2007	2008
Turnover <small>in million euros</small>	387.8	397.4
Employees	1,980	1,870
Locations	45	42

PERFORMANCE

The 2008 business year was characterized by altogether antithetic developments. In the first half of the year, Eurofoam was able to defend its strong market position despite tough competition and continued massive increases in raw material prices and even succeeded in gaining new market share. In the last quarter, however, the financial crisis and the purchasing reluctance it entailed had a pronounced effect on business. The technical applications field suffered particularly under the drastic downturn in sales in the automotive industry.

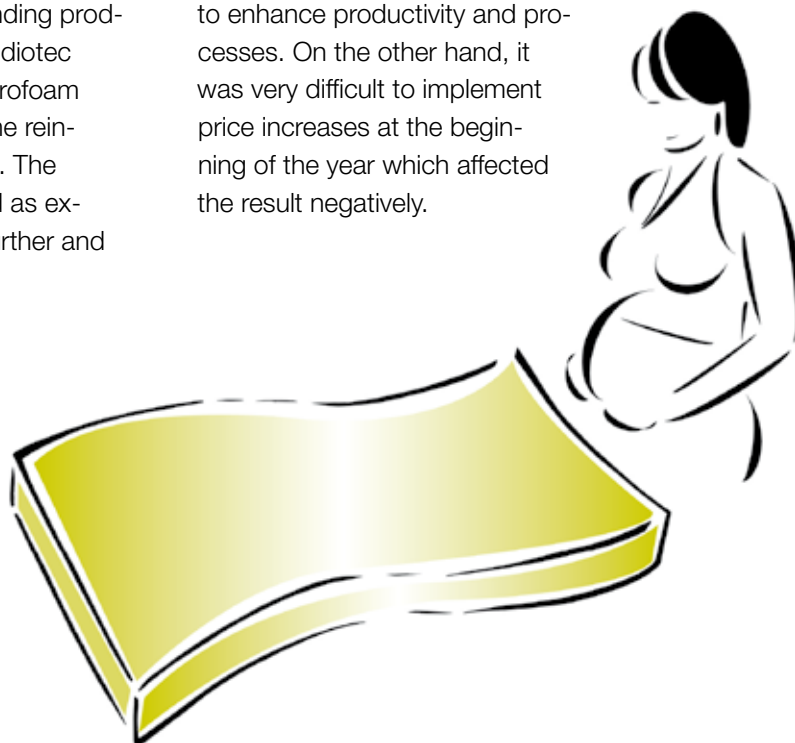
MARKET FOCUS

Despite the downturn in the last quarter high productivity, innovative foam qualities and outstanding product solutions in the fields of pactec and audiotec ensured a successful business year for Eurofoam Austria. The successful niche policy and the reinforcement of innovations will be continued. The production facilities in Germany developed as expected. In order to increase productivity further and

to reduce costs, one processing facility was closed in June 2008. Competition in the market – and the mattress and upholstered furniture market in particular – is still very tough.

The Eurofoam sites in Poland enjoyed very sound development and increased their tonnage even further compared to the previous years that had already been successful. The new foaming machine installed in 2007 in Zgierz is working to full capacity. In July 2008 a new high-bay racking with a second ramp was taken into operation. In Hungary, the market position in the field of technical foams was strengthened. The upholstered furniture and mattress business in this market is characterized by numerous competitors and tough price wars that have a noticeable influence on business. The slump in business at the end of the year aggravated the situation even further.

The Romanian market continued to grow; tonnages and sales increased in the first six months. The success was due to projects organized to enhance productivity and processes. On the other hand, it was very difficult to implement price increases at the beginning of the year which affected the result negatively.



Mothers Comfort is an innovative mattress with exchangeable, visco-elastic foam elements in the belly area – especially designed for expectant mothers.

Changes in the management team bring new drive and motivation. In order to benefit from the strong corporate identity of Eurofoam, Poliflex' name was changed to Eurofoam in early 2009. In Moldova, a new foaming facility was taken into operation at the beginning of 2008. The processing operations in the Czech Republic, Slovakia, Romania, Estonia, Poland, the Ukraine, Bulgaria and Serbia consolidated their market positions and achieved positive results.

PRODUCT FOCUS

Eurofoam is going to counteract the economic downturn and the resulting purchasing reluctance in 2009 by offering new, innovative products with added benefits. In addition, Eurofoam plans to develop new markets. Specialized products in the fields of audio-tec, pactec and foam for care will continue to be successful. After the positive development in Austria and Germany, products for hospital and nursing care will also be launched in Eastern European countries.

OUTLOOK

With its highly qualified and motivated staff, Eurofoam will continue on its successful path in 2009 and defy the economic crisis. Top quality and interesting innovations will convince customers in all markets of Eurofoam's outstanding performance.

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



The specific EMC® sensitive comfort foam is equipped with antibacterial agents.



The Eurofoam deflammo FF® comfort foam of low flammability is used in numerous projects.



The new recliner seat by Joka comes with a positionable sail; the high lying comfort is ensured by foam made by Eurofoam.