

Market Structure and Trends (MAST)

BUSINESS AREAS AND SEGMENTS

SUMMARY DATA, 2002

Number of companies	450
Number of employees	2,500
Number of employees per company	5.6
Value of production, at m.s.p. (Mn. Ä.)	410.00
Average annual change of production 2002-1998 (%):	
• in quantity	-6.7
• in value	- 5.6
Sales per employee (000 Ä.)	164.00
Value added (Mn. Ä.)	59.57
Value added per employee (000. Ä.)	23.82
Sold production share of the top 4 companies ^(a) (%)	52.3
Sold production share of the top 8 companies ^(a) (%)	60.7
Export/production ^(a) (%)	12.3
Import/consumption ^(a) (%)	5.4
Value of the market at m.s.p. (Mn. Ä.)	379.90
Average annual change of the market 2002-1998 (%):	
• in quantity	-8.0
• in value	-6.5
Market share of the top 4 companies ^(a) (%)	47.3
Market share of the top 8 companies ^(a) (%)	55.6
Production development forecasts 2003/2002 (%):	
• in quantity	-3.0
• in value	-1.5

a) - in value

- **KEY SUCCESS FACTORS**
- **BUSINESS TRENDS**

Mattresses: production, import, export and apparent consumption in value and quantity, from 1998 to 2002

Table

LIFE AND DIFFUSION CYCLE

Mattresses: life and diffusion cycle by business areas and segments, 2003

INTRODUCTION DEVELOPMENT MATURITY DECLINE REVITALIZATION

IMPACT OF COSTS ON TURNOVER AND PROFITABILITY TREND

Mattresses: average turnover structure, from 2000 to 2002

(%)

	2000	2001	2002
Cost of sales-materials	52.7	52.7	52.7
Other external charges	32.0	33.4	33.3
Value added:	15.3	14.0	14.0
- labour cost	7.0	7.1	7.3
- depreciation	1.8	2.2	2.2
- other costs/revenues	0.3	0.3	0.3
- operating profit	6.2	4.4	4.2
Total	100.0	100.0	100.0

Source: Databank

Mattresses: trend of some and prices/revenue, from 1998 to 2002

(index: basis 1998=100)

	1999	2000	2001	2002	% change 2002/2001	Average annual % change 2002/1998
Labour	101.5	103.4	105.8	107.4	1.5	1.8
Textiles	99.5	100.7	102.8	103.5	0.7	0.9
Spring	100.0	102.0	104.6	101.4	-3.0	0.4
Flexible polyurethane	105.0	108.2	111.9	115.9	3.5	3.7
Latex	101.5	101.5	104.3	104.3	-	1.1
Prices revenue ^(a)	102.0	104.3	107.8	109.5	1.7	2.3

a) ñ including the mix variation towards more unitary-valued products

Source: Databank

MANUFACTURERS AND EMPLOYMENT

Mattresses: total employees and production plants location of the major companies, 2002

(units)

<u>Companies</u>	<u>Production plants/ location</u>	<u>Total employees</u>
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Source: Databank

DIVERSIFICATION

Mattresses: total turnover of the major companies, from 2000 to 2002

(Mn. Å.)

	2000	2001	2002	% change 2002/2001	% change 2002/2000
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Source: Databank

PRODUCTION SHARES

Mattresses: sold production ^(a) and shares in value of some of the major companies, from 2000 to 2002

EXPORT SHARES

Mattresses: export and shares in value of some of the major companies, from 2000 to 2002

Companies	2000		2001		2002		% change 2002/2001
	Mn. Euro	%	Mn. Euro	%	Mn. Euro	%	

Source: Databank

MARKET SHARES

Mattresses: market and shares in value of the major companies, from 1999 to 2002

Companies	2000		2001		2002		% change 2002/2001
	Mn. Euro	%	Mn. Euro	%	Mn. Euro	%	

a) - 2002 figures: Databank's estimates on public and third-party figures

b) ñ closed in March 2002

Source: Databank

FINANCIAL COMPARATIVE ANALYSIS

The economic-financial results of the following companies and the sector average balance-sheet have been analysed:

- [BBBB company](#)
- [CCC Company](#)
- [XXX Company](#)
- [YYY Company](#)

The following tables show the financial-economic results of four companies, which reached the best performances and the value of the sector average balance sheet.

From the sector average balance sheet the companies with only 2001 balance sheets were excluded:

a) *ñ* The analysed balance-sheet was reclassified in an abbreviated way according to article 2435/bis of the Civil Code.

b) - On 14/12/1998 the company changed its legal status from SNC to SPA. The 1999 balance sheet represents the first one after the change.

c) - The analysed balance-sheets were reclassified in an abbreviated way according to article 2435/bis of the Civil Code. In 1999 the company transferred the plant for the production of bedsprings to third parties.

d) - The analysed balance-sheets were reclassified in an abbreviated way according to article 2435/bis of the Civil Code. In 2000 the company changed its legal status from SRL to SPA.

e) *ñ* The turnover decline, recorded in the 2001 balance sheet, is due to the fire that took place in the company's factory on 13/05/2001, which caused considerable damages to plants, machines and various equipments.

f) *ñ* The company was set up on 24/02/2000 and started its production on 17/05/2000

The 2000 balance sheet covers a period of approximately 6 months.

The analysed balance-sheets were reclassified in an abbreviated way according to article 2435/bis of the Civil Code.

ROE (Return on Equity), from 1999 to 2001

	ROE (%)		
	1999	2000	2001
	-	n.s.	70.37
	66.96	-10.42	47.22
	79.56	70.34	37.30
	74.89	24.11	26.00
Average sector balance sheet	-	26.01	15.96

In the table the values that are higher than the average sector balance sheet are pointed out

Source: FINDAS (Databank)

ROI (Return on Investments), from 1999 to 2001

	ROI (%)		
	1999	2000	2001
	n.s.	10.85	77.65
	-	-	43.99
	18.23	50.64	38.13
	22.03	30.84	32.49
Average sector balance sheet	-	42.50	29.95

In the table the values that are higher than the average sector balance sheet are pointed out

Source: FINDAS (Databank)

ROS (Return on Sales), from 1999 to 2001

	ROS (%)		
	1999	2000	2001
	7.73	9.87	10.97
	10.37	7.64	8.39
	5.77	1.54	6.32
	-	-	5.62
Average sector balance sheet	-	6.19	4.40

In the table the values that are higher than the average sector balance sheet are pointed out

Source: FINDAS (Databank)

BUSINESS PROSPECTS

Mattresses: threats and their impact in the short-long term, 2003

<i>IMPACT</i>	<i>PROBABILITY</i>	<i>TERMS TAKEN INTO CONSIDERATION</i>		
		<i>SHORT TERM</i>	<i>MEDIUM TERM</i>	<i>LONG TERM</i>
<i>HIGH</i>	<i>High</i>	xxxx	yyyyy	
	<i>Low</i>	zzzzz		
<i>MEDIUM</i>	<i>High</i>	kkkkkkk		
	<i>Low</i>			
<i>LOW</i>	<i>High</i>			
	<i>Low</i>	www		

Source: Databank

Mattresses: threats and their impact in the short-long term, 2003

<i>IMPACT</i>	<i>PROBABILITY</i>	<i>TERMS TAKEN INTO CONSIDERATION</i>		
		<i>SHORT TERM</i>	<i>MEDIUM TERM</i>	<i>LONG TERM</i>
<i>HIGH</i>	<i>High</i>			
	<i>Low</i>			
<i>MEDIUM</i>	<i>High</i>			
	<i>Low</i>			
<i>LOW</i>	<i>High</i>			
	<i>Low</i>			

Source: Databank

MARKET AND COMPETITIVE TRENDS

National macroeconomic picture, trend of the major indicators, from 2001 to 2005

(% change rates)

	2001	2002	2003	2004	2005
Gross Domestic Product	1.8	0.4	1.4	2.6	2.5
Import of goods and services (fob)	0.2	2.6	6.2	8.0	7.6
Families' expenditure	1.1	0.4	1.4	2.3	2.5
Investments in machinery and equipment	1.5	-1.1	4.5	6.4	5.2
Investments in construction	3.7	0.6	0.9	1.0	1.3
Export of goods and services FOB	0.8	0.6	4.3	7.9	7.5
Total domestic demand	1.6	1.0	2.0	2.5	2.5
General index of consumer prices	2.8	2.5	2.2	2.1	1.7
General index of production prices	1.9	-0.2	1.3	1.5	0.9
Available income at constant prices	1.9	1.3	1.4	2.0	2.2

Source: Prometeia december 2002

International macroeconomic picture, GDP trend, from 2001 to 2005

	2001	2002	2003	2004	2005
GDP (% variiaz.)					
• United States	0.3	2.3	2.3	3.1	3.0
• Japan	-0.3	-0.1	1.1	1.0	1.3
• Germany	0.7	0.3	1.0	2.5	2.6
• France	1.8	0.9	1.9	2.8	2.7
• United Kingdom	1.9	1.5	2.2	2.4	3.1
• Italy	1.8	0.4	1.4	2.6	2.5
• Spain	2.7	2.0	2.4	3.0	2.7
• Meu (12 countries)	1.5	0.7	1.5	2.7	2.7
• Eu (15 countries)	1.6	0.8	1.6	2.7	2.7
• Oecd ^(a)	0.9	1.5	1.9	2.7	2.7
• Non- Oecd	2.9	3.2	4.0	4.8	4.9
World GDP (% change)	2.0	2.3	2.8	3.6	3.6

a) ñCorea, Messico, Turchia excluded

Source: Prometeia december 2002

Short-term sector trends

In 2003 a further decline in the production level is expected, even if at a lower rate than in 2002. This is mainly due to

Mattresses: business trends forecasts, 2003/2002

	Mn. Euro	% change 2003/2002
Production	403.9	-1.5
Import	21.2	4.0
Export	51.5	2.0
Consumption	373.6	-1.7

Source: Databank

Medium-term sector trends

From 2004 the expected conjunctural national and international recovery will favour a new growth trend on the domestic market and will boost export rates.

The competitive game will be characterized by