



## Vossen on the upswing

### Reorganisation is succeeding

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„We are on the home stretch...“, announces Wilhelm Haböck, Managing Director of the Vossen Group.

After experiencing several years of stagnating turnover, the Vossen Group – being a fully-fledged subsidiary of Linz Textil AG/Holding for two years now - is facing a substantial increase in demand, which has enabled the group to exceed the break-even point in the second half of the year.

Despite aggressive competition from the cheap product sector (mainly Asian-based) it has become even more possible to convince the end consumer of the benefits of quality and feeling of this most famous terry towelling brand:

**A „Vossen Feeling“ is unique.**

The new Managing Board is anticipating a double digit turnover increase by the end of 2006 which will be due to the concentration on the European Markets.

The European markets are Germany (40 % of total turnover), Austria (more than 70% of the market share in the brand sector), the United Kingdom and Ireland, the Low Countries, Denmark and the Middle East.

In 2007 Vossen will also target the Italian, French and East European markets. Vossen has already become the market leader in Hungary and Slovenia, mainly due to the good commercial partnership with the big Austrian furnishing houses.

Furthermore Vossen is hoping for substantial growth in the third biggest market, the United Kingdom and Ireland, where two more leading department store groups, in addition to a new shop fit at Harrods, have been added to the Vossen portfolio.

Hand in hand with the market expansion, a successful rationalisation of the workforce in Austria has taken place. Despite the reduction in personal, Vossen was still able to produce 4,5 million hand towels, bath robes and bath mats.

In the marketing sector Vossen is trying to express strong feelings at the point of sale: A new and unique shop fitting concept has been developed which will be offered to the trade on partnership and franchise contracts. By the means of this **Vossen Shop-in-Shop concept**, the best turnover and profit output per square metre will be achieved.

The focus of the **Vossen marketing strategy** rests on the product range:

After a strategic segmentation of the target groups (90 % of the **Vossen end consumers** are women whose focus is either “romantic”, “elegant” or “lively” - “I would like to have a colourful bathroom” or “classic and stylish” or “amorous”,...) three new collections were introduced in autumn 2006: **Florence** – the world’s softest towel, **Paris Supersoft** and **Calypso Magic Colours** (with 44 different colours and designs).

At the forthcoming Heimtex exhibition in Frankfurt, Vossen will present two further additions to the range as well as new fashion colours in the existing collections:

**Elegance**, “a hand towel dream representing elegance and beauty“ as well as a **World Novelty range** which follows the trend towards a healthy and eco-friendly life.

Therefore the Vossen Managing Board is expecting a boom in this sector in the next year – especially in the brand and the high quality domain. Vossen, the most famous brand in Austria and Germany, would like to emphasise this trend by its innovations in design and quality.

Wilhelm S. Haböck, Managing Director

Jennersdorf, December 2006