

MARKET PROFILE PRESENTATION

Goodyear - Sava meeting

(25 th - 27 th July 1995)

- Sava TECH

- Sava VELO

- Sava VIST

Slavko Koren
Marketing & Sales

Kranj, 25 th, July, 1995

SAVA SALES 1994 BY MARKET CHANNELS

in Mio DM

Marke Channel	Export	Own	Own	Own	Sava Kranj Trade	TOTAL	
Factory	Semperit	export	export	Sales	Slovenia Ex YU		
			network*	Slovenia			
Sava Semperit	84.9	71.3	12.0	31.8	20.9	4.2	225.1
Technical Products	-	9.0	20.3	15.6	2.1	1.2	48.2
Bicycle tyres	-	12.5	8.1	3.1	1.1	0.5	25.3
Sinthetic Leather	-	14.7	0.2	3.8	0.7	0.1	19.5
SAVA	84.9	107.5	40.6	54.3	24.8	6.0	318.1

* - Euro Sava Trieste , - Sava Trade Hungary
 - Sava Trade Praga , - Sava Trade Munchen

S A V A Tech - Market performances by product lines

product line	1994 sales		1995(Jan - June)	
	quantity	in 000 DM	DM/ 1 KG	in 000 DM
rubber compounds	489 tons	1984	4.1	1086
conveyor belts	1725 tons	8293	4.8	7372
rubber sheeting	368 tons	1731	4.7	918
rubberized textile for boats	20 tons	234	11.7	102
profiles	1324 tons	6879	5.2	3700
rubber hoses	1373 tons	4600	3.4	2182
roller covering	94 tons	3037	32.3	2222
other covering	6 tons	140	23.3	184
solid SE tyres	6032 pieces	870	3.0	1064
PU products	8 tons	435	54.4	25
V-belts	2 790000 pieces	7610	11.5	5063

S A V A Tech - Market performances by product lines

product line	1994 sales		DM/1 KG	1995 (Jan - June)	
	quantity	in 000 DM		in 000 DM	
adhesives	551 tons	2082	3.8	1199	
chemicals for shoe ind.	46 tons	323	7.0	193	
moulded products	505 tons	4320	8.6	2107	
environmental & emergency products					
* sealing plugs	1400 pieces	710	71.0	620	
* booms	680 m	185	23.0	249	
* weirs	120 m	120	27.5	137	
* lifting bags	66 pieces	45	45.2	59	
* biogas containers	2 pieces	26	40.1	30	
* interceptive containers	49 pieces	45	58.2	146	
* mobile containers	38 pieces	97	40.0	-	
* others	-	40	29.0	23	

S A V A Tech - Market performances by product lines

product line	quantity	1994 sales		1995 (Jan - June)	
		in 000 DM	DM/1 KG	in 000 DM	
Sava Marin	158 pieces	680	23.0	310	
Printing blankets	3300 m	350	42.5	275	
Construction - bridge elements	250 pieces	190	10.5	205	
Filter Seals	10 mio pieces	1459	19.4	963	
Dock fenders	30 pieces	45	2.9	-	
Coated textile (Medical)	27200 m	244	11.5	153	
Coated textile (food ind.)	4300 pieces	270	25.1	100	
Others					

S A V A Tech - Market performances by countries / markets

in Mio DEM

Country	1994	%	I-VI 1995	%
Austria	1.2	2.6	0.9	3.0
Belgium	0.6	1.3	0.9	2.9
Croatia	4.5	9.4	1.9	6.5
France	0.5	1.0	0.3	1.0
Germany	15.4	32.0	10.7	35.5
Hungary	1.2	2.5	0.8	2.7
Italy	2.4	4.9	1.3	4.5
Poland	1.2	2.5	0.8	2.5
USA	0.7	1.4	0.2	0.6
Czech	0.4	0.7	1.3	4.4
Slovenia	17.7	36.8	10.0	33.2
Others	2.3	4.8	1.0	3.4

S A V A Tech - Strategic position on the market

* Principal Markets: Slovenia, Germany, Italy

Present an other EU/EFTA/USA/CEFTA/ Markets

* Market Characteristics:

High Volume/Low Revenue-DM 3.30/DM 5.50,KG-80%/Competition from East

Low Volume/High Added Value-DM 10,00/DM60.00,KG-20%/Highly profitable

* Sales Mix: Export 65 % Domestic 35 %

* Average Revenue per KG: DM 6,26 (1994)

* Fully Accounted Costs per KG: DM 7,47 (1994)

* Production characteristics: old Technology, Low volumes

* Product Profitability: Slovenia / profitable, but declining
Export Markets / Marginal Contribution

* Issues: Product Proliferation (over 40 products)
Production Costs
Weak Export Market Access
Obsolate Products

* Needs: Rationalize Product Range
Expand Production of rationalized Products
Improved Technology - Products & Process
Improved Market Access