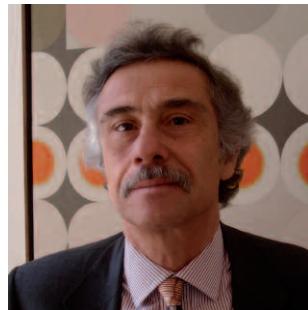


WORLD TRADE OF KITCHENS EXPECTED TO GROW



by **Aurelio Volpe**
Director CSIL International
Market Research

During the 2003-2008 period the world trade of kitchen furniture (measured as the average ratio among exports and imports of 60 countries) peaked from US\$ 3.1 billion to US\$ 5.4 billion (from EUR 2.8 to EUR 3.7 billion) equal to an average yearly growth of 12% expressed in US dollars (6% in EUR). No doubt that after the severe slump of 2009 (15% decrease for Italian exports and 10% decrease for German exports), world trade of kitchen furniture will register a new growth.

Particular attention has to be paid to the luxury kitchen market, that is estimated in around half million units, worldwide. A market where some 40% is in the hands of big and small exporters. A market where price competition is not so relevant (if other skills are effective) and where there is space also for bespoke solutions. But behind the dream kitchen market for happy few, there is also room for over one million of middle and middle-upper end kitchens to be exported, not

to mention the world trade for components (drawers, doors, etc) that addresses the potential market of the worldwide production of kitchen furniture, estimated in excess of 20 million units.

Dramatic changes of the kitchen furniture trade scenario during the last five years include:

- Chinese exports and imports grew yearly by 16% and 23% respectively (without considering the import of Hong Kong, which is relevant in value but just stable).

Till 2008, German and Italian exports (that together control approximately 53% of the world export) grew yearly by 19% and 16% respectively (13% and 10% when the variation is expressed in EUR), with Italians recording a better performance than Germany just in 2008. During 2009, Germans have been performing better in France and South Korea, Italians in Russia and Greece.

- The slowdown of the US economy had a severe impact also on the Canadian exports of kitchen furniture (the decrease was 35%) while US exports to Canada continued to growth during 2008.

Italy is the main country of origin for imported kitchen furniture of Croatia, Cyprus, Germany, Greece, India, Israel, Malta, Mexico, Romania, Russia, South Africa, Turkey, Ukraine, United Arab Emirates. In most of these markets, German companies are Italy's direct competitors.

Traditionally, the United Kingdom has been a market of excellence for Germany, but during 2008 Italians could gain the leading position.

Germany exports to the Netherlands were around US\$ 470 million according national statistics (US\$ 270 million according Dutch statistics).

During 2008 Italian exports grew faster than the German ones, but in the meantime Germany reduced its import of kitchen furniture significantly. The trend towards less imports on the domestic market is still evident for Germany during 2009.

Scavolini showroom in Montpellier, France.

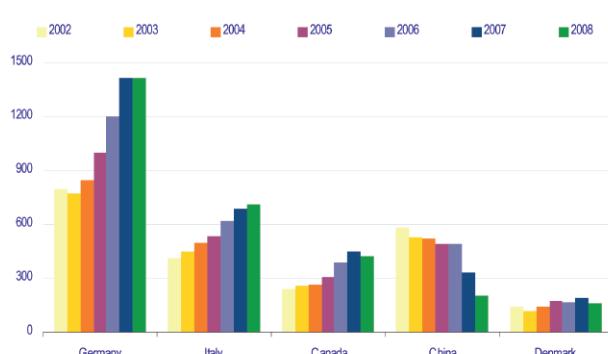


WHERE SHALL I EXPORT TODAY?...
REAL GROWTH OF GDP: FOCUS ON 15 COUNTRIES THAT EXPECT GROWTH
FROM 2010.
ALPHABETICAL ORDER. HISTORICAL DATA AND FORECAST.
Percentage values

Country	% 2003 2004 2005 2006 2007 2008 2009 2010							
	2003	2004	2005	2006	2007	2008	2009	2010
Brazil	1.1	5.7	3.2	4.0	5.7	5.1	-1.3	2.5
China	10.0	10.1	10.4	11.6	13.0	9.0	7.5	8.5
Egypt	3.2	4.1	4.5	6.8	7.1	7.2	3.6	3.0
India	6.9	7.9	9.2	9.8	9.3	7.3	5.4	6.5
Indonesia	4.8	5.0	5.7	5.5	6.3	6.1	3.5	4.5
Japan	1.4	2.7	1.9	2.0	2.4	-0.6	-6.0	1.7
Kuwait	17.3	10.2	10.6	5.1	2.5	6.3	-1.1	2.4
Mexico	1.7	4.0	3.2	5.1	3.3	1.3	-7.3	3.0
Poland	3.9	5.3	3.6	6.2	6.7	4.8	-0.7	1.3
Russia	7.3	7.2	6.4	7.7	8.1	5.6	-6.5	1.5
Saudi Arabia	7.7	5.3	5.6	3.0	3.5	4.6	-0.9	3.9
South Africa	3.1	4.9	5.0	5.3	5.1	3.1	-1.5	2.3
South Korea	2.8	4.6	4.0	5.2	5.1	2.2	-3.0	2.5
Turkey	5.3	9.4	8.4	6.9	4.7	1.1	-5.1	1.5
United States	2.5	3.6	2.9	2.8	2.0	1.1	-2.6	0.8

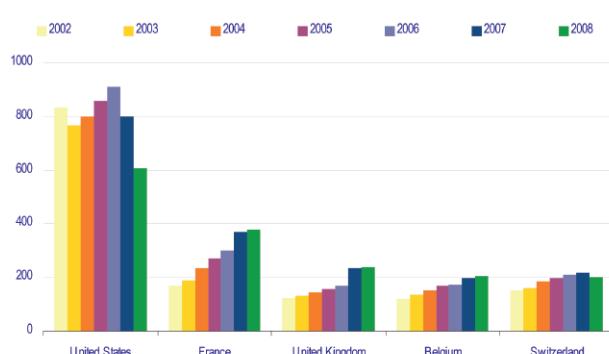
Source: CSIL processing on Eurostat and IMF World Economic Outlook, July 2009

FIVE MAJOR EXPORTING COUNTRIES OF KITCHEN FURNITURE,
EXPORTS, 2002-2008. EUR million



Source: CSIL

FIVE MAJOR IMPORTING COUNTRIES OF KITCHEN FURNITURE,
EXPORTS, 2002-2008. EUR million



Source: CSIL

SCAVOLINI: NEW INTERNATIONAL OPENINGS

From July to November 2009 Scavolini opened 12 new outlets in main cities of Belgium, Bosnia, Bulgaria, Croatia, Finland, France, India, Moldova, Poland, Russia, Spain, and Uzbekistan.

The Company has been leader in the kitchen furniture market in Italy since 1984 and is well known for its high quality products which are exclusively 'made in Italy'. Scavolini's first foreign outlet opened in Greece over 25 years ago. Since then, the Company's vigorous policy of sales network expansion saw a constant average increase of 30 new openings per year.

This is an ongoing programme of expansion and consolidation of a distribution network, which currently includes 150 sales outlets in Europe, more than 40 in Russia and the Eastern Republics, 30 in North America, 15 in Central and Southern America, and the same in Asia and Oceania. Scavolini's programme of expansion includes great projects of new openings by the end of 2010. Some important projects are in the pipeline, including a special commitment in the USA, a targeted development in Asia and a dealing increase with Africa, where exclusive outlets will open in Rabat and Nairobi by the end of the year.

Csil REPORTS on the KITCHEN FURNITURE in:

EUROPE

ITALY

TURKEY

CHINA

JAPAN

CENTRAL-EASTERN EUROPE

SPAIN

SOUTH KOREA

UNITED STATES

KITCHEN FURNITURE DISTRIBUTION IN GERMANY

KITCHEN FURNITURE DISTRIBUTION IN ITALY

KITCHEN FURNITURE: WORLD MARKET OUTLOOK