



**Glenn Albinson**  
Managing Director/Bedwear

## Improved results from a more focused business.

7% of Group sales	2001	2000
	£m	£m
Sales	87	95
Operating profit before reorganisation costs	1	1
Net assets	24	28
Return on year end net assets	3%	4.6%
Capital spend	1	1
Employees at year end	1,971	2,260

Despite the uncertainty engendered by the disposal process, the branded businesses performed well. Sales of the Dorma brand were level with the previous year but margins improved due to a stronger overall range and less discounting. The Vantona brand also benefited from a stronger range and the continued success of the Laurence Llewelyn-Bowen licence.

The private label part of the business performed less well. After an excellent two years with the major customer Marks & Spencer, sales dropped by a third as Marks & Spencer repositioned a significant part of their supply base. Substantial turnover was also lost with BHS as they moved their solid colour business to an overseas source. Elsewhere prices remained under pressure as cheaper imported product continued to dominate the market place.

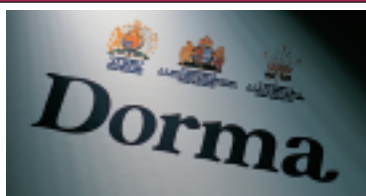
### Restructuring

During the first half of the year the former Home Furnishings Division was substantially restructured leaving the business focused on the UK bedwear market. The towel, table linen, commission finishing and European bedwear subsidiaries have been sold, and the manufacturing base is being reduced to two hemming units and the Chinley dyeing and printing plant.

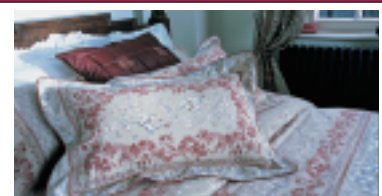
### Bedwear margins improve

Within the Bedwear business, sales declined by 8% to £87 million with all of the reduction in turnover being in private label and sales to the divested European Bedwear subsidiaries. Despite the substantial sales reduction, underlying operating profit before asset disposals improved as reorganisation of the manufacturing base and the sourcing of lower cost product improved operating margins.

#### Bedwear



Dorma, holder of three royal warrants.



A comprehensive range of co-ordinated bedlinen and accessories.