

# Bathroom June 2009



International Market Strategy

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## Belarus: Production of Building Materials Down

In January-March 2009, enterprises of Belarus put out construction materials worth over € 279.76 million. Production decreased by 11.2% against Q1 2008. The structure of output was as follows:

- Aggregates: 4.7million tons, up 4.4% compared to Q1 2008
- Cement : 865,700 tons, up 0.7%
- Bricks: 867.7 million pieces, down 16.6%
- Dry construction mixes: 78,700 tons, down 7.8%
- Roofing slate: 38.4 million conventional slates, up 12.2%
- Ceramic tiles for interior walls: 2.234 million m<sup>2</sup>, down 40.7%
- Ceramic floor tiles: 1.25 million m<sup>2</sup>, down 40%
- Ceramic sanitary ware: 233,600 pieces, down 22.1%.

Source: Belorusskie Novosti

## Egypt: LECICO's First Quarter Results

LECICO's growth in operating profits and margins despite difficult economic climate announced consolidated results for the first quarter ended 31<sup>th</sup> March 2009. Revenue was down 8% year-on-year at €31.1 million, attributable to softening demand in light of global economic conditions compounded by the impact of a weaker Sterling and Euro on exports. Despite the drop in revenues, operating profit (EBIT) was up 2% at € 3.8million (margin up 1.8% at 17.7%) on the back of improved efficiency and cost control efforts. Net profit was down 27% to €2.8million (net margin down 2.3% point to 8.9%).

LECICO is a leading producer of export-quality sanitary ware in the Middle East and one of the largest tile producers in Egypt and Lebanon, with over 45 years of experience in the industry and decades of experience as an exporter to developed markets. LECICO exports over half its sanitary ware production and has a significant presence in the United Kingdom and other European markets. Most of the company's exports are carried out under the LECICO brand.

Source: London Stock Exchange Aggregated Regulatory News Service (ARNS)

## Estonia: BAUHAUS Postpones Entry Until 2010

German construction materials retailer BAUHAUS announced that it would postpone its entry to Estonia, planned for autumn 2009, until spring 2010. BAUHAUS is currently recruiting staff for its shop in Lasnamae. The shop to be opened in Lasnamae would be located in Tahesaju City, a brand new trading complex and is planned to have 20,000 m<sup>2</sup> of trading area.

Source: Baltic States Today

## Finland: KESKO GROUP Recorded Fall in Q1 Sales

In the first quarter of 2009 the Finnish KESKO GROUP's newly created Building and Home Improvement trade segment (which has covered RAUTAKESKO and the company's agricultural trade in Finland since the beginning of this year), suffered a sales decline of 23.9% to € 529 million. Net sales of this division in Finland went down by a total of 24.5% to € 175 million. This includes a drop of 10.5% to €88 million for the agricultural trade. The group's international sales decreased by 27.1% to € 267 million compared to the first quarter of last year. The decline amounts to 19.4% at constant exchange rates.

Source: [www.diyglobal.com](http://www.diyglobal.com)

## Germany: HAGEBAU's Q1 Results

For the first quarter of 2009, HAGEBAU announced a decline of 1.5% to € 869.8 million for centrally invoiced sales in Germany (including distribution centres). The co-operative group's revenue from builders', timber and tiling merchant outlets in Germany and Austria, plus DIY stores was €908.9 million (-2.2%). The specialist dealers suffered a 7.1% reduction of overall sales. Nevertheless, the retail division made a successful start to the new year, when the 291 HAGEBAUMARKT stores increased their first-quarter sales by 1.8% on last year's result.

Source: [www.diyonline.de](http://www.diyonline.de)

## Germany: PRAKTIKER's Sales Decreased in Q1 of 2009

For the first three months of 2009 the PRAKTIKER GROUP has announced that consolidated sales are 8.0% down on the same period last year to € 795.6 million. EBIT fell by 13.6% to € 49.2 million. A sales decline of 13.6% to € 206.1 million is reported for the group's stores abroad (-18.2% like-for-like). Sales revenue in Germany went down by 5.9% to € 589.5 million. A sales decline of 5.6% is revealed for the PRAKTIKER stores, and of 7.1% for MAX BAHR, both in like-for-like terms.

Source: [www.diyglobal.com](http://www.diyglobal.com)

## Slovakia: VAV INVEST's Investment Plan

Slovak property developer VAV INVEST is planning to start construction of Europe Retail Park on a 27-hectare site in Zvolen in Slovakia. The company has already received a construction permit. Several foreign retailers have already expressed interest in opening their new units in the complex, including DIY chains HORNBAACH and OBI, which postponed entry to Slovakia several times. Some truck sellers and logistics companies also expressed interest in the complex.

Currently, the developer is also launching the construction of Europa Shopping a Relax Centra in Zvolen's city centre, which will offer over 10,000 m<sup>2</sup> of retail and leisure space. The centre will also have a six-storey car park. The first phase of the project will be completed at the end of 2010 and the second one in 2011.

Source: Esmek

## UAE: RAK CERAMICS Reaches New Milestone

RAK CERAMICS, the world's largest ceramic tiles manufacturer, has reached a new milestone with annual production capacity now exceeding 115 million m<sup>2</sup>. The company, which has 10 tile plants and two sanitary ware plants in Ras Al Khaimah, and international manufacturing subsidiaries in China, Bangladesh, Sudan, India and Iran, also reported that annual sales have now passed the €501.4 million.

The UAE-based global conglomerate also revealed that it has consolidated its subsidiaries in Italy, Switzerland, Germany, Georgia, France, UK and Australia to further boost its export capacity as it now serves key markets in more than 135 countries, delivering premium-quality ceramic and porcelain tiles, as well as a wide range of sanitary ware models. Tile sales in the UAE market exceeded €393.2 million in 2008, representing a 29% increase from the previous year and helping push global sales to more than €513.7 million.

Source: Gulf Construction

## United Kingdom: HOMEBASE's Negative Figures

HOMEBASE achieved total sales of £1.513 billion in its 2008/2009 financial year (ending on 28<sup>th</sup> February 2009). The company, which is part of the HOME RETAIL GROUP, recorded a sales decline of 3.5% (10.2% like-for-like) in comparison with the previous year. Operating profit experienced a drop of 67% to £ 14.9 million. At the end of the financial year the chain had 345 DIY stores (with a combined retail area of 1.717 million m<sup>2</sup>) in operation. A total of 14 stores were launched over the last financial year, nine of those outlets taken over from FOCUS.

Source: [www.nexis.com](http://www.nexis.com)