

Bathroom November 2009



International Market Strategy

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Monthly Special

Europe **Bathroom Supplementary Products Report 2008: Now Available**



Albania: PRAKTIKER Expanding to Albania

The PRAKTIKER GROUP opened the first DIY store in Albania, an outlet of around 8 700 m², in the country's capital Tirana on 30th October 2009. As the company says, it is entering this sector as a pioneer: There is not one single comparable trading format, whether nationally or internationally owned, in the entire country. The branch in Tirana is PRAKTIKER's 103rd international outlet. Moreover, this emerging country of 3.2 million on the southern Adriatic is the ninth foreign market in the PRAKTIKER GROUP's international portfolio.

Source: www.nexis.com

Finland: KESKO's Sales Decreased

KESKO reports sales in its building and home improvement trade division down by 24.2% to € 1.816 billion for the first nine months of the 2009 financial year. Sales in Finland fell by 22.6% to € 841.2 million. Sales abroad amounted to € 975.2 million, or 25.6% down on the same period last year.

Source: www.kesko.com

France: MR. BRICOLAGE Taking Over 178 Outlets

The French DIY retailer MR BRICOLAGE is taking over the LES BRICONAUTES and LES JARIDAUTES sales channels with their 178 outlets (332 000 m²) and sales of € 365 million. This acquisition, which is subject to approval by the competition authorities, will result in the MR. BRICOLAGE GROUP becoming the third-largest DIY retailer in France with some 700 stores (50 of them abroad), a retail area in excess of 1.6 million m² and a sales volume of € 2.2 billion.

Source: www.diyglobal.com



Germany: Breakthrough Into a New Dimension

BAUHAUS has created what is its most costly store to date - a store that offers many new ideas and concepts.

Early September 2009 saw the opening of the BAUHAUS's biggest single property so far in Kalk, Cologne. Although there are other BAUHAUS outlets that are even bigger, these have developed over time and in several stages into what they are today: gigantic DIY superstores.

The Kalk BAUHAUS was built in just seven months on an area of approx. 54,000 m² that was the former site of Klöckner-Humboldt-Deutz AG. The total investment amounted to € 40 million, including fittings and stock.

The new BAUHAUS outlet has a retail area of around 22,300 m² and is the company's seventh store altogether in the region around Cologne. BAUHAUS is quite open about addressing local and regional tradesmen and contractors directly. Also specially targeted are all those who can be grouped together under the heading of "non-workshop-based tradesmen". This is not only because of the huge building materials drive-in arena, which takes up nearly one-third of the floorspace, or the 15 specialist departments and two studios (doors & windows and room dividers & storage systems), plus a tiling arena with 1,500 different types of tiles. It is also because of a totally new steel goods store, unique among DIY stores, the large stocks of sand and shingle in the outdoor area, and the store for building materials that professionals need in large quantities. It is inevitable that BAUHAUS is taking on the function of a wholesaler and intermediary through the scope of its product range. Tradesmen, who always tend to be strapped for cash, can now get by without keeping stocks of their own: BAUHAUS guarantees them permanent availability of goods for practically all standard areas of the building trade, cuts sheet steel and other materials to precisely the sizes required for the ongoing project and also offers specialist dealer products in ever-increasing dimensions.

A total of 150 employees work in the new BAUHAUS. BAUHAUS now has 31 outlets in North Rhine-Westphalia, and 206 in Europe altogether.

Source: www.diyonline.de

Germany: Positive Sales Trend for HORNBACH

HORNBACH-BAUMARKT-AG increased the net sales of its 130 DIY and garden stores by 4.4% to € 1.5 billion in the first half of the 2009 financial year. Growth amounted to 1.7% in like-for-like and constant-currency terms compared with the same period last year. The 92 German outlets, which increased their profits by 3.1% in 2009 proved to be the engine of growth during this period. The international stores recorded sales up by 5.2 % to € 614.9 million.

Source: www.diyonline.de



Turkey: BAUMAX to Expand

BAUMAX is going to expand into Turkey next year. BAUMAX will open three stores in Turkey in 2010 with an investment of around €20 million in each. The first would open in March in Samsun on the Black Sea coast, to be followed by another in Izmit on the coast of the Sea of Marmora and a third in Istanbul.

BAUMAX would open three to five more stores in Turkey after 2010 and eventually have turnover of around €600 million there. The firm expanded more in Central and Eastern Europe last year. It opened an 11,000 m² branch in Czech capital Prague last November after the launch of a 12,400 m² store in Tarnava, Slovakia, where BAUMAX is already market leader. The family-owned business has been active in Slovakia since 1994 and has a market share of 24%. BAUMAX is also active in Croatia and Bulgaria.

Source: AUSTRIA TODAY

Turkey: ECZACIBASI Increases Stake in BURGBAD

The manufacturer of ceramic sanitary ware and tiles, ECZACIBASI announced that it increased its stake in German tiles maker BURGBAD AG to 95.02%. The company bought 100,000 shares from RUDDIES BETEILIGUNG UNDVERMOEGENSVERWALTUNGSGESLLSCHAFT (RBV) GmbH and RBV BETEILIGUNGS GmbH and also made a call for extraordinary meeting to the board of BURGBAD to purchase the remaining minority stake of the company. In July 2009 ECZACIBASI completed the acquisition of a 47.16% stake in BURGBAD AG for €33.4 million.

Source: Turkey Today



Ukraine: CERSANIT Considering Construction of New Plant

Ceramic sanitary ware and tile producer CERSANIT, is considering the possibility of building a furniture and bathroom fitting factory in Ukraine. Currently CERSANIT has production facilities in Poland and Romania, and they import to Russia and Ukraine.

In addition, the co-owner of the Polish company said that the company has finished construction of the second stage of the ceramic sanitary ware and tiles plant in Zhytomyr region, although equipment has not been installed. The plant's production capacities today are estimated at 1 million units of ceramic sanitary ware and 7 million m² of tiles per year.

Source: Ukraine Business Weekly

Ukraine: LEROY MERLIN to Open New Hypermarket

The French building-material hypermarket chain LEROY MERLIN intends to enter the Ukrainian market. The company's first hypermarket is to open in Kiev in 2010. In the future, the company also considers an opportunity to build hypermarkets in Kharkov, Donetsk, Dnepropetrovsk, Odessa and Zaporozhye.

Source: ESMEK



United Kingdom: GROHE Cash Reward Scheme

GROHE has announced that its PARTNER CLUB initiative has been a huge success with showrooms. The GROHE PARTNER CLUB was launched in early 2009 and continues to gain momentum. It is a cash incentive scheme designed to support and reward companies with the most dedicated and knowledgeable showrooms.

The GPC scheme includes key ranges of taps, showers and sanitary systems in the portfolio including its signature Rainshowers, the stunning VERIS collection and brand new products such as the EUPHORIA shower system. Each participating showroom is entitled to a rebate for each product purchased from approved distributors and this will be paid in cash to showrooms at the end of each quarter.

Within the current economic climate it is even more important for manufacturers and retailers to work closely together to make the most of business opportunities. The response to this particular initiative has been unprecedented with a large number of showrooms across the country signing up for the GPC. The scheme has seen a diverse mix of showrooms join, from mainstream to the more boutique, which shows that redemption across the GROHE portfolio of products ranges from entry level to design led.

Source: www.grohe.co.uk



Monthly Special: **Bathroom Supplementary Products Report 2008: Now Available**

In November 2009: BRG CONSULT is pleased to announce the publication of its Bathroom Supplementary Products Report on selected European countries:

- Belgium
- Denmark
- Finland
- France
- Germany
- Italy
- Netherlands
- Norway
- Poland
- Russia
- Spain
- Sweden
- United Kingdom

Products included in the report are:

- o Bathroom Accessories
- o Shower Accessories (shower heads, flexible shower hoses, shower sets)
- o Bathroom Furniture (base units, mirrors and mirror cabinets, separate cupboards)
- o Kitchen Taps and Mixers
- o Kitchen Sinks (steel, ceramic and synthetic)

These 2009 BRG Reports give information on the market size in € and units, a ten-year market history, five-year product forecasts, product segmentation, 2008 manufacturers market shares and end use analysis. The full bathroom industry reports include a background information with details on the country's economy, the construction market, the distribution sector, detailed market data, as well as the profiles of suppliers and distributors.

For more information on these reports, please contact David Harrop (dharrop@brgconsult.com).

Source: BRG CONSULT