

# Bathroom Newsletter

December 06



## International Market Strategy

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## Sweden: AHLSELL To Take Over Electrical Wholesaler ALAND

Swedish plumbing, heating and electrical products wholesaler AHLSELL AB said it would take over electrical wholesaler ALANDS ELCENTER AB as of January 1, 2007. The purchase price was not available.

ALANDS ELCENTER AB ([www.elcenter.aland.fi](http://www.elcenter.aland.fi)) is based on the Alands Islands, in the Baltic Sea. The electricity wholesaler has annual sales of some 30 million Swedish crowns (\$4.4 million/€3.3 million) and employs four people. The business of ALANDS ELCENTER AB will form a subsidiary of AHLSELL's local unit, AHLSELL ALAND AB. The new entity will be part of AHLSELL's Swedish operations.

The Aland Islands form an autonomous Swedish-speaking administrative province of Finland. Due to the deal, AHLSELL gets access to a market, where the company's product range may create new business opportunities, president and CEO, Goran Nasholm, said.

AHLSELL ([www.ahlsell.se](http://www.ahlsell.se)) offers products and peripheral services to professional users in the market segments of heating and plumbing, electrical, tools and machinery, refrigeration and do-it-yourself (DIY). The group has annual sales of some 20 billion crowns (\$2.955 billion/€2.218 billion) and 4,000 employees.

Source: [www.ahlsell.se](http://www.ahlsell.se)



## Scandinavia: BALLINGSLOV Acquires The GEISLER GROUP

BALLINGSLOV acquires the GEISLER GROUP, one of the largest manufacturers in Scandinavia of work tops for the kitchen- and bathroom industry with annual sales of approximately SEK 220 million. BALLINGSLOV has acquired the GEISLER GROUP with its headquarters and main factory in Nykøbing Mors on Jutland.

In the fiscal year July 2005 - June 2006 GEISLER had a turnover of approximately SEK 220 million and employs 210 people. The GEISLER GROUP is one of the leading manufacturers of custom made work tops for the kitchen- and bathroom industry. The product range covers work tops in laminate, solid wood, steel, granite, concrete, glass and composite materials. The customers of GEISLER are manufacturers and dealers for the kitchen- and bathroom industry in Scandinavia.

With the acquisition of GEISLER, BALLINGSLOV will establish a product line with an estimated turnover initially of more than SEK 400 million. 340 people will work in the product line and this will make BALLINGSLOV one of the largest operators in Europe.

The purchase price amounts to approximately DKK 165 million (SEK 200 million) for a debt free company. Added to this can be a smaller amount based on the financial performance 2007 - 2008. The acquisition is fully financed by bank loans. Following the acquisition of GEISLER, the BALLINGSLOV GROUP will have a turnover of approximately SEK 2,400 million per year. The acquisition is consolidated in the BALLINGSLOV books as per November

Source: WAYMAKER

## India: KOHLER Plans a Manufacturing Base In Gujarat

KOHLER of the US will set up a RS 450 vitrified tiles project at Jagadia in Bharuch district of Gujarat. The project will provide employment to about 4,000 people. The Jagadia unit will be the second largest manufacturing base of the company after the one in China.

Source: Asia Africa Intelligence WireIndia Business InsightIndia Business Insight



## Ukraine: SANITEC Invests in Bathroom Ceramics Factory in the Ukraine

After a ceremony attended by the Presidents of Finland and the Ukraine, the Finnish SANITEC GROUP and the Ukrainian UKRBUDMATERIALY GROUP signed an agreement to establish a joint company in which SANITEC will hold 51% and the Ukrainian shareholders 49%. The agreement concerns the largest Ukrainian bathroom ceramics manufacturer (Slavutskiy Plant Budfarfor).

The partners intend to restructure the existing bathroom ceramics plant in Slavuta, Ukraine, and to transform it into a state of the art company with extended production capacity. The factory currently produces 2.5 million pieces annually.

The investment will be realised in the coming years, as the plant will be thoroughly reorganised. The existing buildings will be modernised and new plant facilities constructed. The intention is to use proven equipment and production techniques as currently used in SANITEC's production plants throughout Europe. The applied technologies will allow for a significant reduction in the production costs and improve productivity and efficiency. All employees will undergo extensive training in new technologies.

The present product range will be extended with upgraded quality and design. New ceramic series will be designed both for the Ukrainian market and for export.

The new company will remain as the main player on the Ukrainian market, and will extend activities in the traditional export markets of Budfarfor, such as Russia, Belarus, and Kazakhstan. The market position of BUDFARFOR, combined with SANITEC's experience in technology and marketing, will bring significant potential for the future.

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



## UK: SYMPHONY Enters Sanitary Ware Category with VENETIAN

Furniture expert SYMPHONY will embark on a new product category this month with the launch of a collection of Italian sanitary ware and taps to accompany its fast-developing VENETIAN bathroom furniture collection.

The new sanitary ware pieces have been carefully selected to sit alongside VENETIAN's comprehensive choice of fitted furniture and will include sit-on and semi-recessed basins, a toilet and a selection of chrome taps.

With modern, clean lines, the range offers simple good looks and complements both the fitted and free-standing furniture collections to provide retailers with a complete bathroom solution.

VENETIAN's Brand Manager Megan Esmond says: 'Our focus for VENETIAN has been to broaden the range and include all the elements our retailers need to provide customers with co-ordinated bathroom designs. 'Fitted bathroom furniture is an increasingly popular solution for customers looking to create a hardworking and stylish bathroom. We were keen to be able to offer a choice of sanitary ware pieces whose proportions and design would fit seamlessly with our furniture.'

SYMPHONY conducted extensive research amongst its retailers last year to explore how the Venetian range could be developed to add value and increase sales opportunities for retailers. There was significant demand for sanitary ware so the company worked closely with a specialist Italian manufacturer to create this capsule collection.

Venetian is part of SYMPHONY, the UK's largest privately owned furniture supplier, with more than 30 years experience of designing fitted furniture to help create the perfect living space. The range is available to the public through a network of independent retailers across the UK.

Source: [www.symphony-group.co.uk](http://www.symphony-group.co.uk)



## UK: VICTORIA & ALBERT BATHS Gets the French Connection

The international free-standing bath manufacturer VICTORIA & ALBERT continues to forge ahead with increasing European sales growth following the announcement of two new agents for the brand in France.

Covering the entire country through two distinct territories, AQUADOS based in Chennevieres sur Marne, East Paris, will cover the north of France and DAMARS SA in Salon de Provence near Marseille the south.

Specially selected for their wealth of experience in handling premium brands, the new agents have already experienced strong interest for VICTORIA & ALBERT products from leading bathroom outlets right across France.

VICTORIA & ALBERT BATHS Ltd Export sales and marketing manager David Coath stated: 'We are passionate about bath design and it's great to come across partners who share this approach too. The French public appears to really embrace design flair and the feedback from our new displaying stockists is that both our contemporary and classic ranges are going down with.'

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

## US: WOLSELEY To Eliminate Jobs From N.C.-based subsidiary

The UK building-materials group WOLSELEY PLC will cut the work force of its Raleigh-based subsidiary by 2,000 jobs, the company announced. STOCK BUILDING SUPPLY, which sells building materials such as roof trusses, windows, doors at 316 outlets in 33 states, will lose about 10% of its work force.

WOLSELEY blamed the job cuts on a slowdown in the US housing sector. WOLSELEY said in a statement that US housing starts had fallen more sharply than expected. The company, which also operates in Canada and across Europe, generates more than half of its sales in the United States.

Source: FinancialAP Alert



## Monthly Special: MARKET MAPPING UK BATHROOM MARKET (2006)

In 2004 BRG CONSULT completed a groundbreaking market research project on the UK market for bathroom products.

Taking as its starting point BRG CONSULT's annual multi-client report on the UK Bathroom Products Market, BRG CONSULT set out to extend the market data available to its clients, and above all to take the research downstream into the households that constitute the ultimate customer base of the home improvement segment of the market.

BRG CONSULT has recently undertaken a major study to update this work, the results of which will be available in January 2007.

The project comprises of a number of elements, of which the main outputs are:

– an overall mapping of the markets for the main categories of bathroom products, tracking the flow of products right through the chain:

- manufacturer/importer
- distribution
- installer
- consumer purchases for housing RMI

– an interactive database of over 8,300 home improvement projects. This is the heart of the project, and represents a break-through in researching the home improvement market. Alongside data from the 2006 study, all outputs from the original 2004 project are also included.

The database comprises:

- 1,464 installer interviews giving details of 4,908 bathroom home improvement projects involving professional installation
- data from the panel of 18,000 UK households run by GfK MARKETING SERVICES (last Quarter 2003 to Quarter 2 2006) allowing a further 3,406 projects to be added to the database

In total the database contains information 43,315 individual product purchases, which can be analysed according to a wide range of variables (by project and product), including:

- product category and sub-category
- professional installation (by type of installer) vs DIY
- by whom product selected/specified



- by whom product purchased
  - source of purchase
  - reason for/circumstances of project
  - type of bathroom/sanitary facility involved
  - product combinations involved in project
  - purchases of suites vs individual product purchases
  - brand and model (although at the request of the sponsoring clients there are some restrictions on the disclosure of competitor brand and model data)
- The study also includes the results of a programme of 100 interviews with specialist bathroom retailers

For more information on Market Mapping contact Dan Thirkell on:

Tel: +44 (0)1227 766810

Email: [dthirkell@brgconsult.com](mailto:dthirkell@brgconsult.com)