

Bathroom December 2008

International Market Strategy



Topics

Czech Republic	BAUMAX Expansion
Czech Republic	HORNBACH to Open Four New Stores
France	BRICORAMA Holds Steady in Q3
Germany	VILLEROY & BOCH's Interim Financial Report
Hungary	OBI Opens Outlet in Szeged
India	DURAVIT Builds Production Sites in India
India	HINDUSTAN SANITARYWARE Plans Acquisition in Europe
Romania	LASSELSBERGER Closes Down MONDIAL Production Site
Romania	PRAKTIKER Opens Store in Piatra Neamt
Switzerland	Healthy Growth at GEBERIT
Turkey	ECZACIBASI's Building Division Braces for Crisis
UK & Ireland	QUALCERAM SHIRES Losses Blamed on House Loan Slump
United Kingdom	DIY Revival Key to B&Q's TV Deal



Czech Republic: BAUMAX Expansion

Austrian DIY chain BAUMAX steps up its Central and Eastern Europe offensive with new stores in the Czech Republic and Slovakia. BAUMAX opened an 11,000 m² branch in the Czech capital city, Prague in the beginning of November. The move follows the launch of a 12,400 m² store in Tarnava, Slovakia, where BAUMAX is already market leader. BAUMAX plans to open more new stores in both the Czech Republic and Slovakia next year.

Source: Austria Today

Czech Republic: HORNBACH to Open Four New Stores

The Czech branch of the German gardening and DIY retail chain HORNBACH, plans to open four new stores in the Czech Republic. The first store to open in 2010 will be in Plzen. HORNBACH will also open a store in Ostrava and is looking for suitable locations in Prague, Brno or Ceske Budejovice. The company plans to invest CZK 2.5billion (€101.86million) in the expansion of its network. The number of employees is expected to rise by 500 from the current 1,040.

Source: www.idnes.cz

France: BRICORAMA Holds Steady in Q3

In the third quarter of 2008 the French DIY retailer succeeded in recording a sales increase of 2.9% to €175.4 million. Sales in France rose by 2.5% to €115.8 million. In the Netherlands and Belgium (where the group is an INTERGAMMA franchisee) sales rose 3.2% to €55.8 million. A sales increase of 7% was notched up in Spain for a total of € 3.8 million. There were two new openings during the third quarter (in France and Spain), and one relocation in Belgium. In the first nine months the group achieved sales of €499 million, which is by 0.2% above the previous year. At the end of the third quarter the group had 178 outlets.

Source: www.diyglobal.com

Germany: VILLEROY & BOCH's Interim Financial Report

Consolidated sales in the third quarter stood at €200.3 million, which was below the prior year reference value of €212.9 million, with the divisions showing varying development. The first three quarters of 2008 saw the Group achieve sales of €635.1 million, which represents a slight increase compared to the previous year (currency adjusted +2.1%). Earnings before income tax and interest (EBIT), standing at €15.2 million, remained below the prior year result of €20.1 million.

Source: VILLEROY & BOCH



Hungary: OBI Opens Outlet in Szeged

The German-owned DIY-chain OBI Hungary has opened a new outlet in the city of Szeged. The new store, which has a total retail space of 9,000m², is OBI's second unit in the city. In its business year ending on 30th April 2008, OBI Hungary earned HUF 53.7billion (EUR 208.19 million USD 270.5 million) in revenue. This is some HUF 1.5 billion higher than recorded the previous year. OBI recorded some 8.3 million customers over the 12-month period. The company has 1,800 employees in Hungary.

Source: www.pravda.sk

India: DURAVIT Builds Production Sites in India

DURAVIT, headquartered in Hornberg in the Black Forest, laid the foundation stone for a new production site in India.

A new ceramic factory is to be built on a site covering some 170,000 m² in Tarapur in the state of Gujarat in central, Western India. An initial production capacity of 500,000 pieces per year is planned with some 250 employees. The company is now present in more than 80 countries world-wide and produces at several national and international locations: Hornberg, Schenkenzell, Meißen (Germany), Bischwiller (France), Cairo (Egypt), Istanbul (Turkey), Chongqing (China) and, since May 2008, also in Bizerte (Tunisia).

Source: www.duravit.com

India: HINDUSTAN SANITARYWARE Plans Acquisition in Europe

HINDUSTAN SANITARYWARE & INDUSTRIES (HSIL), the flagship company of the SOMANY GROUP, is looking for an acquisition in the range of US\$27-62 million in Europe. The company has started talks with companies focusing on sanitaryware products and bathroom accessories such as high-end bathtubs and shower enclosures.

Source: www.datastarweb.com



Romania: LASSELSBERGER Closes Down MONDIAL Production Site

Austrian group LASSELSBERGER, the only manufacturer of ceramic tiles (wall & floor tiling) in the Romanian market, has decided to shut down its production facility in Lugoj, which generated over 10% of its revenues, due to sales reductions amid the real estate crisis.

The postponement of real estate projects, especially residential ones, has strongly affected the turnover of companies on the ceramic tiles market, while next year's forecasts are also pessimistic. Following the shutdown of the production facility, which was located on the land owned by MONDIAL, a part of VILLEROY&BOCH. Around 150 employees have been made redundant.

LASSELSBERGER holds another two production facilities via SANEX (Cluj-Napoca) and CESAROM (Bucharest), companies it acquired in 2004, and had a rental contract with MONDIAL in Lugoj.

Source: www.zf.ro

Romania: PRAKTIKER Opens Store in Piatra Neamt

The DIY retail chain PRAKTIKER Romania has invested €11.4 million in the construction of a new store in the town of Piatra Neamt, which brings the company's overall investment on the domestic market to €240 million. The new outlet opened on 27th November 2008.

Source: www.esmerk.com

Switzerland: Healthy Growth at GEBERIT

The GEBERIT GROUP has succeeded in continuing the favourable trend in the first nine months of 2008.

Sales rose by 1.4% to CHF 1.960 million. In currency-adjusted and organic terms this amounts to 5.2% growth. Operating cashflow (EBITDA) increased by 7.2% to CHF 554.2 million; operating profit (EBIT) grew by 7.8% to CHF 409.9 million. Net income reached CHF 395.5 million, corresponding to an increase of 5.3%. For 2008 as a whole, the management expects currency-adjusted and organic sales growth in line with medium-term targets of 4 to 6%.

Sales of the GEBERIT GROUP in the first nine months of 2008 were CHF 1,960.1 million compared to CHF 1,933.6 million in the previous year. This corresponds to an increase of 1.4% despite considerable currency losses.

Source: www.geberit.com



Turkey: ECZACIBASI's Building Division Braces for Crisis

ECZACIBASI's Building Products Division has dismissed 370 employees in a move to reduce company staffing by up to 20%. The company, which has plans to move its Gebze facility to Bozoyuk, is a domestic and international leader in building products, having strategically added brand name building product companies to its portfolio over the past three years.

The division announced that due to a decrease in production, it would reduce its workforce in order to minimalism the consequences of the crisis and to strengthen its fiscal structure.

The division also announced that the cisterns and accessories production facility located in Gebze will be closed and production will be continued at the Bozoyuk facility. Workers who do not accept the move to Bozoyuk will be paid legal compensation for being laid off.

The company, which is best known in Turkey for its hallmark tile brand VITRA, acquired ENGERS, a major player in the German wall tile market, in 2006, and entered into a share purchase agreement with the prestigious VILLEROY & BOCH AG in April 2007. It also purchased a majority stake in BURGBAD of Germany, a luxury bathroom furniture leader in Europe in April 2008.

Source: Turkish Daily News

UK & Ireland: QUALCERAM SHIRES Losses Blamed on House Loan Slump

Bathroom products maker QUALCERAM SHIRES expects to make a full-year loss this year as economic conditions in the group's main markets remain challenging and the situation is exacerbated with the tightening of credit.

In an interim management statement, QUALCERAM, which was also loss-making at half-year stage, said turnover for the four months ending in October 2008 was off by 33% compared to last year, while turnover is 30% compared to the same period of 2007. In the short term, operational focus remains on cash management and cost efficiencies while the company has reduced output as much as possible to match current demand.

Source: Irish Independent



United Kingdom: DIY Revival Key to B&Q's TV Deal

DIY chain B&Q is to sponsor Channel 4 property programmes in an estimated £5 million deal as the broadcaster reviews its shows to reflect the housing slump.

The contract will run throughout 2009 and includes sponsorship of programmes such as Grand Designs, Property Ladder and Location, Location, Location.

Sources at B&Q said Channel 4 was planning new formats focusing on home renovation instead of house buying. B&Q is attempting to capitalise on its dominant market position to lure customers away from rivals. The KINGFISHER-owned chain is the UK's largest DIY retailer and the most likely to benefit from the fallout of competitors.

This year kitchen and bathroom retailer MFI has shed almost half its stores after putting parts of its business into administration. Meanwhile, Home Retail Group last month plunged to a loss after reducing the value of its 345-store DIY chain HOMEBASE by £542 million.

Source: Mail on Sunday