

Bathroom February 2009



International Market Strategy

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Europe: ELECTRA REAL ESTATE and KAMOR Buy Dutch DIY Centers

ELECTRA REAL ESTATE Ltd and KAMOR Ltd have completed their joint acquisition of three shopping centers for €62.2 million, plus €5.2 million in costs. The properties, two in the Netherlands and one in Luxembourg, are fully leased to DIY retailer HORNBAACH Holding AG.

ELECTRA REAL ESTATE acquired 45% of the three properties through subsidiary, ELECTECH REAL ESTATE BV, and KAMOR acquired 50% through KAMOR EUROPE Ltd. The properties have an aggregate space of 39,400 m², and generate €4.63 million in annual rent, giving a return on investment of 7.44%. HORNBAACH's leases run through 2024, and it has options to extend them.

The current acquisitions are part of a framework deal made in 2006 for the acquisition of eight HORNBAACH shopping centers.

Source: BUSINESS AND FINANCIAL NEWS

Europe: PRAKTIKER Announces Provisional sales figures

Preliminary figures reveal that PRAKTIKER BAU- und HEIMWERKERMARCKTE Holding AG achieved net group sales of €3.91 billion in the recently completed 2008 financial year. This amounts to a decline of 1.0% over the previous year (0.6% at constant exchange rates). A 6.0% deficit was recorded in like-for-like terms. The sales trend was marked by the group's German operation, which experienced a decline of 6.9% to reach a total of €2.67 billion (-8.0% like-for-like). Sales in the international division rose by 14.6% to €1.24 billion, though a minus of 0.5% was recorded like-for-like. At the end of 2008 the PRAKTIKER GROUPE had 436 stores in operation (425 previous year), 336 in Germany (337 previous year) and 100 abroad (88 previous year).

Source: www.diyglobal.com

Germany: Germany DIY Market Slowed Down

According to computer forecasts from BBE Retail Experts, the German DIY stores over 1 000 m² in size had to deal with a sales deficit to the tune of around 1.2% for the year 2008. Sales value also saw a corresponding reduction of around € 220 million to € 17.42 billion over the same period. A sales fall-off of 4% altogether is being assumed for the year 2008 after adjustment.

Source: www.diyonline.de

Germany: HAGEBAU GROUP's Sales increased

Soltau-based HAGEBAU estimates that the group increased its centrally invoiced sales by 3.4% to € 3.931 billion in 2008. Revenue in Germany rose 3.6% to a total of € 3.660 billion. Centrally invoiced sales in the building materials, timber and tiling trade rose by 3.9% to € 2.246 billion. The engine of growth here was the builders' merchant trade with an increase of 5.5%. The tiling trade was almost able to maintain the previous year's level (-0.4%). Centrally invoiced sales in the timber sector went down slightly by 1.2% which HAGEBAU attributes mainly to the decline in prices for sawn or planed timber, and for wood-derived products. On the DIY side, the 294 HAGEBAUMARKET stores succeeded in increasing their sales by 3.9%.

Source: www.diyglobal.com

Germany: MAX DIY Store to Close Down

The Berlin small-store concept known as "MAX – the mini DIY store" is to close down with effect from 31th March 2009 after a trial run of around four years. Developed by DIY retailer MAX BAHR as neighbourhood convenience outlets for inner-city locations, the concept was a good one and right for its purpose, according to Michael Hoffmann, managing director of "MAX – der kleine Baumarkt". However, 30 branches would be required instead of the current 15 for any further profitable development of the concept, and this was simply not possible. As a result, it no longer seems sensible to extend the chain to other cities.

Source: www.heute.de

Poland: Property Market Dominated by DIY Building and Second-Hand Flats

According to the report prepared by Millward Brown SMG/KRC and Nowy Adres, the Polish residential property market was dominated by DIY house building and purchases of used small and medium-size flats and houses. The report has also revealed that in 2008, 12% of Polish consumers were in the process of building or purchasing residential properties, which is the same number when compared to the previous year, and that some 69% of residential properties bought in 2008 had a space of below 60 m². On average, Poles spent PLN 415,000 (EUR 100,437.50) per capita on building or buying a new home. 25% of respondents who took part in the survey prepared by Millward Brown SMG/KRC and Nowy Adres were building single-family houses.

Source: Warsaw Business Journal



Romania: ARABESQUE to Lay Off 1,000 Employees in the First Half of 2009

The Romanian construction materials retail group ARABESQUE GALATI plans to lay off 20% of its employees (1,000 workers) in the first half of 2009 due to the financial crisis which led to a decline in sales.

ARABESQUE, controlled by the businessman Cezar Rapotan, has 3,500 employees on the domestic market and another 1,500 employees working in its branches abroad.

In 2008, the company expected sales of € 570 million (\$752.27million), up by 25% from € 450 million in the previous year. ARABESQUE has 18 stores in Romania and 23 stores abroad in Ukraine, Serbia, the Republic of Moldova and Bulgaria.

Source: Esmerk

Spain: Spanish Taps and Mixers Export Fall Over 28% in First Half of 2008

A report from FEBAN indicated that the Spanish taps and mixers exports reached €42.3 million in the first semester of 2008, representing a fall of 28.3%. In the meantime, imports increase by 5%. Cataluña and the Comunidad Valenciana together represented around 90% of the total taps and mixers exports, with Cataluña reaching €34.2 million turnover, 80% of the total exports. Comunidad Valenciana reached €3.9 million turnover (9.3% of the total). During the period studied by FEBAN, Cataluña and Comunidad Valenciana's sales decreased by 29.9% and 27.9% respectively.

Source: I&M



United Kingdom: Distributors Need to Increase Their Initiatives in Economic Downturn

There's no doubt about it, the bathroom market is much more difficult than it was 12 months ago. People are simply holding back on spending whilst the world sorts out the credit crunch. But householders do want to continue to improve their homes even if new housebuild has virtually stopped at present.

The bathroom retailer is having to fight hard for sales and wants as much help as possible from the distributor to help them in these challenging conditions. The progressive distributor is in there with the customers, introducing marketing initiatives to generate business.

Special prices on selected products are one way for distributors to help retailers stimulate the market. Similarly, special promotions that add value make very attractive offers for potential customers and these can be further promoted in-store.

The development by the distributor of 'own brand' products, with guarantees on performance, can also offer extremely competitive prices and good margins for retailers who want to offer additional options.

Special offers on display suites and assistance with showroom design, together with advice on best selling suites, can help to add that extra 'wow' feature in the showroom, which creates awareness and potential customer visits.

And of course all these initiatives have to be backed up with next day deliveries, the full range of service support and the best selling brands.

Source: www.idealbathroom.com

United Kingdom: Downswing at HOMBASE

HOMBASE, a British DIY retail chain, achieved sales of £ 479 million in the 18 weeks to 13th January 2009. This amounts to a downswing of 3.8% over the same period last year (-10.2% like-for-like). The company, which is part of the Home Retail Group, reports a sales decline of 7% to £ 1.308 billion (also -10.2% like-for-like) for the 44 weeks to 3rd January 2009.

Source: Evening Standard



United Kingdom: PJH Group Joins Forces with JACUZZI UK

Two of the industry's biggest bathroom players have teamed up in an exciting new partnership. The UK's leading bathroom distributor, PJH Group, and manufacturer of the UK's best known bathroom brand, Jacuzzi, have joined forces, making PJH a nationwide distributor of the Jacuzzi brand.

PJH will stock and sell an extensive range of the exciting Jacuzzi® Bathroom Collection of suites, baths, shower enclosures and brassware.

This major partnership presents both parties and customers with an exciting new range of opportunities for sales growth in 2009.

Building on the success of a long affiliation with Jacuzzi UK, distributing Astracast, the PJH Group has developed an excellent working relationship with the company and now looks forward to continuing this growth with one of the industry's most recognised brands.

Phil Anderson, commercial director at PJH Group, said: "We are very excited about teaming up with Jacuzzi UK, one of the most prestigious bathroom manufacturers in the UK. Together we are launching an extremely comprehensive portfolio of Jacuzzi branded products, which complements our current collection of bathroom products perfectly.

Source: www.jacuzzi.co.uk