

North America Bathroom News

October 2008



International Market Strategy

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USA: 2008 Industry Research Offerings

BRG CONSULT NORTH AMERICA provides the bathroom and heating industry with the following multi-client offerings:

- 2008 US Plumbing Report
- 2008 Canadian Plumbing Report
- 2008 USA HVAC Report
- 2008 Canada HVAC Report
- 2008 Mexican Plumbing Market Summary
- 2008 Chilean Plumbing Market Summary
- 2008 Argentinean Plumbing Market Summary
- 2008 Brazilian Plumbing Market Summary
- 2008 Colombian Plumbing Market Summary

In addition to the above, BRG CONSULT publishes bathroom and heating reports on 30 countries in Europe and several countries in Asia.

The country reports are comprehensive market studies examining the overall market structure, the country economic situation, the construction market (new residential, repair/remodeling, commercial applications), the distribution channel mix, total market size in units and \$, market sizing of product subgroups in units and \$, market share data of the key manufacturers and importers, as well as profiles on key distributors and manufacturers serving the industry.

In addition to the above multi-client reports, BRG CONSULT NORTH AMERICA offers single-client confidential services. These ad-hoc services include:

- **Market Sizing** – detailed quantification of the market in units and dollars, with identification of key trends in the market and market share analysis of the major vendors servicing the industry
- **Market Due Diligence** – examining the strengths, weaknesses, opportunities in a given market, reviewing the market position by vendor, reviewing the competitive landscape by region
- **Market Mapping** – examining the selling-out process AFTER the products have been placed with distribution, giving manufacturers an understanding of the distribution channels, the competitive product offerings, the sales influencers, the key purchasing decisions of the end-consumer
- **Distribution Analysis** – examining within a given sales channel, the market position of a certain brand, competitive alternatives the end consumer could purchase, shelf market presence and share within the distribution channel, point-of-sale displays, point-of-sale materials, competitive pricing
- **Regional SWOT** – examining the market position within a specific territory, identification of the market opportunities and the strengths/weaknesses of a supplier in a new market
- **International Research** – BRG has the broadest library of market information pertaining to the Plumbing and HVAC markets worldwide. Many companies that are either present in international markets or are contemplating entering new markets turn to BRG for information.

BRG is here to help. For more information contact one of the following people:



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Source: BRG CONSULT NORTH AMERICA

USA: BRG Appoints Tony Lett as Business Development Director

1 September 2008 - BRG CONSULT is pleased to announce Anthony (Tony) Lett has joined BRG CONSULT NORTH AMERICA as Business Development Director.

Tony has 30 years experience in business development, product management and new product development. He brings a wealth of experience to the table, predominantly in the commercial market and is a recognized industry expert in GREEN BUILD. Tony has worked in commercial product development, has extensive working relationships with architects, designers, distributors as well as builders. Tony has held executive positions with KOHLER COMPANY, GEBERIT, BLACK & DECKER and most recently GLOBE UNION NORTH AMERICA.

Tony Lett is a graduate of Georgia State University and majored in Anthropology. He was Lieutenant of the US Navy and served as Communications Officer on board the aircraft carrier USS Bon Homme Richard. In addition to working in the United States Tony has international experience in Canada, Europe and Asia.

Tony is based out of Gainesville, GA. Tony can be reached at tlett@brggroup.com. His office phone number is (+1) 770-719-9856.

Source: BRG CONSULT NORTH AMERICA



Canada: TRICAP Partners Completes Acquisition of MAAX Corporation

Montreal, Quebec, September 18, 2008 – MAAX Corporation announced today that it has completed the previously announced sale of substantially all of its assets to TRICAP PARTNERS LTD., a private equity fund managed by BROOKFIELD ASSET MANAGEMENT.

MAAX will retain its existing operations and product lines and operate under the name MAAX BATH INC. in Canada, and MAAX US CORP. in the United States. MAAX SPA INDUSTRIES CORP. will hold the spa assets and will operate as a separate subsidiary of TRICAP. MAAX will continue to meet its obligations to customers and suppliers, and will continue to employ all of its employees.

"Today marks a new and positive beginning for MAAX and its stakeholders," said Paul Golden, President and CEO, MAAX Corporation. "The successful completion of this transaction provides us with dedicated new ownership, a strengthened financial position and the opportunity to build on our leadership position in the marketplace. This will enable us to focus on executing our business strategy, building on our reputation for innovation, and increasing our position of leadership in the marketplace. We look forward to working with TRICAP and we face the future with confidence."

Bruce Robertson, Managing Partner of TRICAP stated "We are excited about our investment in MAAX as the company has exceptional products and a strong customer base that have been supported by dedicated employees and loyal suppliers. MAAX is well positioned to grow its leadership position with a very conservative capital structure and sponsorship and support from TRICAP".

Source: www.maax.com



USA: KOHLER Launches Exclusive Web-Based Resource For Trade Professionals

August 2008 - KOHLER CO., a global leader in kitchen and bath design and technology, today launched www.kohler.com/pro, a comprehensive web-based resource designed exclusively for various trade-specific audiences.

“This online portal is a one-stop web site designed specifically for trade professionals to assist them in finding, researching and organizing information surrounding kitchen and bath products, services and industry news,” said Douglas Bocchini, director of merchandising at KOHLER CO. “KOHLER understands that trade groups require specific information – accurate and fast – to best serve their customers. And kohler.com/pro helps these pros find exactly what they need with very few clicks.”

The new password-protected web site serves the needs of several trade groups: plumbers, contractors, architect/designers, builders, remodelers, and countertop installers. Users from each trade group receive customized information from KOHLER, based on their indicated areas of interest. With literally thousands of KOHLER product SKUs available, this Web site enables trade professionals to easily navigate product detail pages such as installation requirements, options and configurations.

After logging in, site visitors can search for product information, create folders to keep individual projects organized, and store this information on the site for future access. A truly unique way for the trade to integrate products into their jobs, the Web site provides the latest information available in a very succinct manner.

To ensure the site is comprehensive, product details and information from KALLISTA and STERLING are available as well. Trade professionals seeking information on KOHLER generators can easily find it on the site. All of these resources in one Web site maximize time and efficiency for trade groups.

In addition to product information, users of the Web resource have access to the most recent industry news, photos and ideas from KOHLER CO.

Source: www.kohler.com



USA: MOMA Exhibit Features DURAVIT

3 September 2008 - DURAVIT, a leading supplier of design-conscious sanitary ceramics, is outfitting the Cellophane House, a project included in "Home Delivery: Fabricating the Modern Dwelling," an exhibition organized by The Museum of Modern Art. The exhibition offers the most thorough examination to date of both the historic and contemporary significance of factory-produced architecture from 1833 to today.

Two sink basins from the VERO collection and two Philippe Starck-designed toilets and accessories will be included in Cellophane House, designed for the exhibition by KieranTimberlake Associates, Philadelphia. Home Delivery will be on view from July 20 through October 20, 2008.

As implied by its name, Cellophane House is made of transparent and translucent materials, held in place with an aluminum structural frame. An exception will be the house's two "bathroom pods," which contain the DURAVIT fixtures. "The project strips the house down to the bare essentials. Though the bathroom pods are not translucent, the bathroom fixtures allow us to carry through our design sensibility by using clean and modern elements," said David Riz, associate in charge from KieranTimberlake Associates.

The classic, rectangular silhouette of the VERO washbasin mirrors the clean lines of the structure. Two washbasins from this collection will be included in Cellophane House, a 33 1/2" model and a 19 1/4" model. Matching under-lavatory towel rails will be included with the 33 1/2" washbasin.

Source: The Wholesaler



USA: CHICAGO FAUCETS ECAST Line Allows California Schools to Address Latest Lead-Free Safety Standards for Drinking Water

DES PLAINES, Ill. and SACRAMENTO, Calif., Sept. 22 - Ongoing efforts by state legislators to provide the safest drinking water possible to the residents, and especially to the children of California, has resulted in the creation of California Assembly Bill 1953 (AB1953). Slated to take effect on January 1, 2010, this new bill requires residential and commercial faucets that dispense water for human consumption must not exceed a total weighted average of 0.25% maximum lead content. Facilities particularly impacted by this new law include schools, day care centers, hospitals, healthcare facilities, restaurants and cafeterias.

In response to this bill, CHICAGO FAUCETS, the leading brand of commercial faucets in the United States, has introduced ECAST, a line of durable, high-quality brass faucets and fixtures for installation in food service areas, restrooms, locker rooms, classrooms and other areas where students may drink water.

"This new line of faucets has already received certification, so we are very excited to be able to offer it to the schools and other facilities throughout the state of California ahead of schedule," said Andreas Nowak, CEO of CHICAGO FAUCETS. ECAST will be available beginning October 2008, permitting Californians to meet this regulation 14 months before the law takes effect.

"Our opinion was, why make the children and residents of California wait, when we have the ability to provide faucets that meet this new law today," added Nowak.

"CHICAGO FAUCETS is proud to continually take a leadership position for product quality, innovation, conservation and safety," concluded Nowak. "Our aggressive approach in developing ECAST faucets, combined with our water conservation, sustainability and anti-microbial initiatives, will allow schools, hospitals, restaurants and other facilities to install the finest commercial grade faucets available, with the added peace-of-mind that they meet the latest safety standards in California."

About CHICAGO FAUCETS

CHICAGO FAUCETS, a member of the GEBERIT GROUP, is the leading brand of commercial faucets and fittings in the United States, offering a complete range of products for schools, laboratories, hospitals, office buildings, food service, airports and sports facilities.

Source: <http://send2press.com/newswire/2008-09-0922-007.shtml>



USA: HOME DEPOT Cuts Prices, Seeking to Gain Market Share

17 September 2008 - NEW YORK - In a bid to drive traffic and sales hurt by the housing market downturns, No. 1 home improvement retailer HOME DEPOT INC. said it will lower prices on 1,200 items from paint to a toilet repair kit by as much as 50%.

Price cuts ranging from 5% to 50%, which HOME DEPOT intends to keep permanent, will be lowered on about 400 items each starting Thursday over each of the next three weeks, HOME DEPOT spokeswoman Jean Niemi said.

For example, the price on a STRATFORD Brushed Nickel Ceiling Fan was lowered to \$69.00 from \$89.97 while a THD moving box was cut to 97 cents from \$2.76. The affected stock marked about 4% of HOME DEPOT's average of 30,000 items in each store, she said.

To promote the deals, HOME DEPOT is also launching a marketing campaign involving TV commercials and print and radio ads. Store signage touting "new lower price" and labels on racks comparing the old and new prices will be prominently displayed.

HOME DEPOT has also been trying to improve customer service and make its stores easier to shop after smaller rival LOWE'S COs., with a cleaner and brighter store layout, took share away from the Atlanta-based company in part by attracting female shoppers, analysts have said.

"This reflects a move to jumpstart their sales and we view it as a calculated move to reintroduce consumers to the recent efforts to spruce up the stores," said Credit Suisse analyst Gary Balter. "Consumers who left during the previous problems may not have had a reason to return. This creates the reason."

Still, Balter cautioned that HOME DEPOT's move may create a "potentially slippery slope" as its competitors including LOWE'S may respond with price cutting of their own, which may end up leading to a price war and hurting these retailers' profit margins.

"This threatens to bring operating margins below the 7% we were assuming for HOME DEPOT and the 7.8% for LOWE'S for this year," Balter said.

Source: MarketWatch



USA: LOWE'S Cuts Store-Opening Plan; is Cautious on 2009 Outlook

24 September 2008 - NEW YORK - Faced with a declining housing market and other economic turmoil, No. 2 home-improvement retailer LOWE'S COs. gave a broad profit-forecast range for next year and said it would pare back its store-opening plan. LOWE'S plans to open 75 to 85 stores in fiscal 2009, which translates to footage growth of about 5%, said the Mooresville, N.C., chain. That compares with this year's plan to open about 120 stores, or square-footage growth of as much as 8%.

LOWE'S, which is hosting its annual conference for analysts and investors on Wednesday, forecast profit of \$1.40 to \$1.65 a share for next year. That compares with the \$1.57-a-share consensus estimate of analysts surveyed by FACTSET RESEARCH.

Same-store sales, or sales at stores open at least a year, are expected to range from a negative 3% to a positive 1%, LOWE'S said. The retailer also affirmed its profit forecast of \$1.48 to \$1.56 a share for this year, with sales at stores open at least a year forecast to drop 6% to 7%. Analysts polled by FACTSET expect a profit of \$1.53 a share for the year.

"As we look beyond the current fiscal year, uncertainty regarding the macroeconomic environment, including disruption in the housing and financial markets as well as the pressures on consumer-spending growth," suggests "it is prudent to remain cautious in our 2009 outlook," Chief Financial Officer Robert Hull Jr. said in a statement.

Like other retailers, LOWE'S is managing expenses in the face of uncertain sales. Chief Executive Robert Niblock said he expects the company to more than double its expected 2008 per-share profit over the next five years as economic uncertainty lifts. The company also said it's poised to gain market share in an industry that's highly fragmented. LOWE'S said in August it gained unit market share at its fastest pace in eight quarters as many independent operators closed shop.

LOWE'S and larger rival HOME DEPOT INC have both curtailed their store-opening plans, with HOME DEPOT abandoning new openings in its pipeline. The housing-market downturn and battered consumer confidence have lowered demand for cabinets, countertops and other big-ticket home-improvement purchases, especially in weak housing markets such as California and Florida.

Source: MarketWatch



USA: Supply of Homes for Sale Declines in Metro Areas

11 September 2008 - The number of homes listed for sale declined in many metropolitan markets last month.

The supply of homes available for sale in 29 major metropolitan areas in August was down 2.6% from a month earlier, according to figures compiled by ZIPREALTY INC., a real-estate brokerage firm based in Emeryville, Calif. The ZIPREALTY data cover all listings of single-family homes, condominiums and town houses on local multiple-listing services in metro areas where the firm operates.

Ivy Zelman, chief executive of ZELMAN & ASSOCIATES, a housing research firm, says inventory is falling largely because a large number of foreclosed homes are being sold at "distressed prices," which are dragging down prices for all types of homes.

On a national basis, home inventories typically grow modestly in August from July. Over the past 25 years, the average increase during August has been 2.2%, according to ZELMAN & ASSOCIATES.

Although the supply is no longer growing quickly, it remains abundant. One reason for the recent declines in many cities is that potential sellers have withdrawn from the market because they don't want to compete with builders and banks that have been slashing prices in an effort to clear out their inventories of new or foreclosed homes.

Nationwide, 4.67 million previously occupied homes were listed for sale at the end of July, according to the National Association of Realtors. At the current sales rate, that's enough to last about 11 months, the trade group says. The housing market is considered roughly in balance between supply and demand when the inventory is enough to last around six months.

The August inventory was down about 8% from a year earlier in the 18 metro markets for which comparable year-earlier data are available, ZIPREALTY said.

The ZIPREALTY data don't include New York. But MILLER SAMUEL INC., an appraisal firm based there, says there were 6,094 cooperative apartments and condominiums available for sale in Manhattan at the end of August. That was down 5.3% from July but up 31% from August 2007. Losses of jobs on Wall Street are expected to weigh on the Manhattan market. Jonathan J. Miller, chief executive of MILLER SAMUEL, sees the price trend as "flat to weakening."

Source: The Wall Street Journal



USA: Home Building Weakens Further in August

17 September 2008 - Single-family building permits fall to 26-year low.

Home building tumbled again in August, with the number of new building permits for single-family homes dropping to a 26-year low, the Commerce Department estimated Wednesday.

Starts of new homes fell 6.2% to a seasonally adjusted annual rate of 895,000, the lowest in 17 years, and much weaker than the 955,000 rate expected by economists surveyed by MarketWatch.

Starts of single-family homes fell 1.9% to a 17-year low of 630,000 annualized units.

Building permits for single- and multiple-family dwellings fell 8.9% to a 26-year low of 854,000 annualized units, with permits for single-family homes dropping 5.1% to 554,000, also a 26-year low. Permits for single-family homes fell to the lowest levels in at least 20 years in the Midwest and West.

"Starts will almost surely fall below the 1-million-unit mark this year" for the first time since 1945, said Patrick Newport, an economist for Global Insight. "In the fourth quarter, we currently project that starts will drop to an annualized 813,000 units, which would also be a record post-war low."

Builders are frantically cutting back their production of new homes, trying to work off a mammoth glut of unsold inventory. Record foreclosures on existing homes are complicating the builders' efforts to bring supply back down to meet sluggish demand.

"The housing market is continuing to deteriorate," wrote Dean Baker, co-director of the Center for Economic and Policy Research, who noted that 1.8 million could be forced out of their homes over the next year at the current foreclosure rate.

The more builders cut production, the sooner the market can recover. Buyers are being discouraged by falling prices and by turmoil in the mortgage finance market that makes getting a loan difficult. The seizure of Fannie Mae and Freddie Mac by the government could ease some of those funding concerns, builders say.

However, the near-bankruptcy of AMERICAN INTERNATIONAL GROUP indicates that few are willing to lend. "No one can doubt that a credit crunch is materializing with significant force that completely invalidates the notion that the housing slump is 'bottoming,'" wrote Roger Kubarych, an economist for UniCredit Markets. "That proposition is entirely premature."

On Tuesday, the National Association of Home Builders said builder sentiment improved in September for the first time in seven months, although most builders remain very pessimistic about their industry.

The number of single-family homes under construction dropped to a 16-year low in August, and the number of single-family homes completed fell by 9.8% to a 26-year low.

In the past year, permits for single-family homes have dropped 40%, starts have fallen 35%, and completions have sunk 45%.

The government cautions that its monthly housing data are volatile and subject to large sampling and



other statistical errors. In most months, the government can't be sure whether starts increased or decreased. In August, for instance, the standard error for starts was plus or minus 9.2%. Large revisions are common.

It can take four months for a new trend in housing starts to emerge from the data. In the past four months, housing starts have averaged 980,000 annualized, down from 1.01 million in the four months ending in July.

In all of 2007, 1.355 million homes were started.

Source: MarketWatch



USA: Replace Older 3.5 Gallons-per-Flush Toilets With New Water-Saving, High-Efficiency Models

More than one billion gallons of water can be saved in the United States by updating toilets

KOHLER CO., a global leader in kitchen and bath design and technology, urges homeowners to take action now and cross off “update the bathroom” from their to-do lists. As water shortages continue to surface across the nation, smarter choices about replacing bathroom fixtures and faucets will make a significant impact on water demand, and there is no better place to start with than the toilet.

Citing a 2005 study by D&R International, roughly half of all the residential toilets in the United States continue to flush with 3.5 gallons of water or more. That statistic is alarming and equates to a significantly high amount of wasted water, because new high efficiency toilets can flush with less than half that amount – 1.28 gallons or even less – without sacrificing performance. And the toilet comprises nearly 25 percent of water usage inside the home, far and away the most of any appliance or plumbing fixture.

“KOHLER understands that using water more wisely is imperative to sustainability, and choosing a water-saving toilet can have a huge impact on water use,” said Rob Zimmerman, senior staff engineer for water conservation initiatives at KOHLER CO. “Homeowners want energy-efficient appliances to save money around the home, and they shouldn’t overlook plumbing products. By replacing toilets with newer models that flush much less water, but still perform to expectations, an average family can save a lot of water. And, we know that performance cannot be understated. What good is a water-saving toilet if you have to flush twice?”

How Much Water Can Be Saved?

If every household in the United States that has an old 3.5 gpf toilet were to replace it with a 1.6 gpf or less model, the United States could save more than 1 billion gallons of water each day. That’s a lot of water, considering the average shower uses a mere 20 gallons. A family of four would save thousands of gallons of water each year by replacing one old toilet with a 1.6 gpf or less model.

It was January 1, 1994 when the Environmental Policy Act took effect, lowering the national standard from 3.5 gpf to 1.6 gpf for all residential toilets sold in the United States. Since then, KOHLER CO. has been at the vanguard of high-efficiency toilets and flushing technology, having developed several toilets that surpass the federal mandate by flushing with a mere 1.28 gpf, and even 1.0 gpf.

“The price to purchase high-efficient toilets has decreased substantially, making them easily attainable for those who are serious about removing their older 3.5 gpf models,” added Zimmerman. “Water-efficient toilets are affordable, feature a better design and look, and are engineered to perform better than their older counterparts.”

Moreover, some municipalities and water utilities offer local rebate programs, which help offset the cost of purchasing a high-efficiency toilet. In some cases, the toilet purchase is minimal or at no cost to the homeowner. People should check their local utility to determine if there is a rebate available, added Zimmerman.

More than just offering products, KOHLER is actively involved and supports programs like



WaterSenseSM, and other organizations that promote and educate homeowners about water efficiency. WaterSense, the EPA's voluntary public-private partnership program, seeks to protect the future of the nation's water supply by promoting water efficiency and enhancing the market for water-efficient products, programs and practices. Plumbing fixtures and faucets that qualify for the WaterSense label assures consumers of actual water savings and strict performance standards.

Source: www.us.kohler.com

Canada: Boy Finds Furry Visitor in Toilet Bowl

16 September 2008 - A Prince George boy had a close encounter of the furry kind, when he took a bathroom break one day last week.

When he lifted the lid of his family's toilet, Keith Schuk discovered a flying squirrel. The 11-year-old was getting ready for school early one morning last week, when he found the agitated visitor. "I opened the toilet seat and there was a flying squirrel in my toilet," he told CBC News on Monday.

At first the boy mistook the furry creature for his cat, and reached out to rescue it from the bowl, but the hiss that came from the ball of fur made him think it might be a rat. As the boy was pondering his next move, the wet creature hopped to the floor on its own and slipped, and slid, and finally hid under his mom's makeup kit.

Keith called for his mom and they managed to trap the animal in a cardboard box while it was sleeping. The family eventually identified the wet furball as a flying squirrel. Flying squirrels are nocturnal creatures that are native to the Prince George area. They stretch out their skin between their limbs, catching the air and allowing them to glide, rather than actually fly.

The Schuk family believes the squirrel may have slipped down a roof vent, then tried to make a desperate bid for escape through the toilet bowl. They eventually set the squirrel free in the woods about 10 kilometres away from their home. But young Keith Schuk said he learned an important lesson from the incident. "Look before you sit," he told CBC News.

Source: America Online Canada