

# HOME IMPROVEMENT EXECUTIVE

THE NEWS NETWORK FOR INDUSTRY LEADERS

Volume 18, No. 3 • April 28, 2008

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## B&D 1Q Sales Down 5%; Stanley Sales Rise 3%

The Black & Decker Corp. (Towson, MD) reported sales for the first quarter, ended March 30, of \$1.50 billion, down 5.2% from the year-ago quarter, reflecting a 4% positive impact from foreign currency translation.

By segment, sales of power tools & accessories declined 10.1% to \$1.06 billion. Recent-quarter results reflect a 25% decrease in sales from the U.S. consumer products group. Segment profit was \$87.2 million, off 40.4%. Hardware & home improvement sales were off 14.4% to \$212.3 million; segment profit was \$15.9 million, off 43.6%.

Consolidated operating income declined 38.3% to \$104.6 million. Net income was \$67.4 million, down 37.7%; recent-quarter results reflect an \$18.3 million pretax restructuring charge.

In other news, Black & Decker is reportedly closing its Vector Products, Inc. (Plantation, FL) subsidiary as part of an effort to cut 700 jobs. The company purchased Vector, a manufacturer of portable power products, in 2006 for \$160 million in cash.

The Stanley Works (New Britain, CT) posted sales for the first quarter, ended March 29, of \$1.10 billion, up 3.3% from the year-ago quarter. Currency exchange contributed 4% to growth and acquisitions contributed 2%. Organic volume was down 3%.

By segment, construction & DIY sales were \$423.2 million, down 0.1%; segment profit was \$50.8 million, down 18.7%. Security sales were \$338 million, up 3.1%; segment profit was \$53.3 million, up 16.6%. Industrial sales were \$335.7 million, up 8.0%; segment profit was \$49.1 million, up 7.9%.

Consolidated pretax earnings improved 1.0% to \$93.1 million. Net earnings were \$68.0 million, up 0.6%.

## 84 Lumber Reaches \$585M Financing Agreement

84 Lumber (Eighty Four, PA) has reached a \$585 million financing agreement with SunTrust Banks, Inc. (Richmond, VA) and Wachovia Corp. (Charlotte, NC). President Maggie Hardy Magerko said the move puts the company in a solid position of strength as it works through the current U.S. housing slump.

Privately held 84 Lumber reportedly had 2007 sales of \$3.1 billion, down approximately 21%. The company owns about 85% of its 381 locations, which include 368 stores and 13 component manufacturing facilities, worth approximately \$650 million. The company also owns inventory and receivables valued at approximately \$500 million.

Earlier this month, 84 Lumber closed an additional 30 stores, following its nine closings in March; the company has closed 52 locations since the start of the year and 118 since April 2006.

## Weyerhaeuser Pres. Fulton Adds CEO; Rogel Chmn.

Weyerhaeuser Co. (Federal Way, WA) has named president Daniel Fulton to the additional role of ceo. He succeeds Steven Rogel, who continues as chairman.

Fulton, 59, has been president since January. Previously, he was president of Weyerhaeuser Real Estate Co. from 2001 until last month, when Larry Burrows assumed the role. Prior to then, Fulton was pres./ceo of Weyerhaeuser Realty Investors, Inc. from 1998, coo from 1996, and chief investment officer from 1994; he joined Weyerhaeuser in 1975.

Rogel, 64, has been chairman since 1999. He was also pres./ceo from 1997. Rogel was previously pres./ceo of Willamette Industries Inc. from 1995, which Weyerhaeuser acquired for \$6.1 billion in 2002. He joined Willamette in 1972. *Continued on page 4*

# CATEGORYREPORT

H•I•E  
REPORTS

## SOUND DEADENING BOARD

• Industry & Financial News  
• Market Trends & Views

### Sales Up On Education, Room Expansion

Sales of sound deadening board have been strong, suppliers say, due to an increased popularity of entertainment rooms and consumer education efforts.

Knight-Celotex, a division of Knight Industries, LLC, has seen an increase in sales of sound deadening board in comparison to other building products, says Amy Smith, marketing director. "Consumers are concentrating on sound control in specific niche areas such as home theaters, bedrooms, and bathrooms."

Education is also key to growth, says Gordon Pealock, sales & marketing director at Homasote Co. "Consumers and builders have become more aware of the benefits of sound control in residences, and market penetration of the varying solutions has increased accordingly." He adds that many municipalities are adopting sound control requirements in public and private new construction.

At George-Pacific, the biggest trend in sound deadening board over the past few years is the growing popularity of home theater rooms in new luxury custom homes, says Rod Slate, specialty wood products manager. "Consumers want high-quality acoustical values in rooms such as home theaters and play rooms; George-Pacific offers an economical and easy-to-use solution."

### Cost, Ratings Drive Green Introductions

Innovative, economical products that sustain the environment and meet ratings and codes are key in today's sound deadening board.

Knight-Celotex is seeing more customers requesting U.L.-certified products, while also demanding complete solutions for sound deadening board.

"Knight-Celotex has achieved Sound Transmission Classification ratings of up to 69 with SoundStop sound deadening fiberboard," Smith says. "Additionally, SoundStop is made of 97% organic material, and our manufacturing process

is environmentally friendly.

"SoundStop also contributes LEED credits to projects," Smith adds, "and is the only U.L.-certified sound deadening fiberboard that has achieved a one-hour fire rating in a load-bearing wall system when installed behind drywall."

In some regions, new codes are requiring specific STC ratings, Slate says. "George-Pacific Hushboard panels meet those needs; they're economical, lightweight, easy-to-install, and made with a manufacturing process that uses reclaimed and recycled raw materials."

Other trends include the use of synthetic materials in sound deadening products and a systemic approach to sound control.

"The use of different materials in an assembly weakens different sound frequencies," Pealock says. "Furthermore, since elastomeric adhesives do not harden when cured, noise energy passing through an assembly will be dissipated by the materials and adhesion layers. 440 Sound Barrier is our flagship product in this category."

Homasote 440 Sound Barrier is easy to use and compatible with most construction adhesives, Pealock says. It can be installed in floors, walls, and ceilings; is U.L. listed and certified by the ICC; is fire tested; and is made of

recycled materials. He adds that Homasote's manufacturing process does not use chemicals that can be harmful to the environment.

### Green, Recycled Trends to Fuel Growth

Use of sound deadening board will continue to increase as more manufacturers implement the use of green materials.

Georgia-Pacific is optimistic about the green aspect of sound control because of Hushboard's inclusion of reclaimed and recycled raw materials, Slate says.

Code changes will also continue to impact the future.

"While the IBC requires only a minimum rating of 50 for STC and IIC, many municipalities and cities are setting their requirements above 50," Pealock says. "Also, the advent of LEED, the green movement, and the push to conserve energy have brought sound control to the forefront. With continual testing and development, Homasote meets these challenges with its 98% recycled content."

Smith concludes that in addition to a positive impact from the use of green products, U.L.-certified products from companies who offer holistic solutions will drive the business further.

### Suppliers Utilize Various Tools to Build Awareness, Drive Sales

As environmental concerns continue to draw attention to sound deadening options, manufacturers are helping pro dealers, remodelers, and contractors build their businesses through various educational tools.

Knight-Celotex, a division of Knight Industries, LLC, is concentrating on building its current relationships with dealers and builders, along with increasing its online presence, says marketing director Amy Smith. "We've made it easier for our customers to find important information and technical specifications, and we've improved our customer service. Knight-Celotex cares about its customers and the environment, and contractors are noticing, thus increasing our sales."

Homasote Co. is developing a corporate strategy to address all key influences in the product selection and delivery channels, says Gordon Pealock director of sales & marketing. "Homasote will focus on establishing preferred partners, co-branding initiatives, product campaigns, and other category specific marketing efforts. Additionally, Homasote will celebrate its 100th anniversary in 2009 with many initiatives focused on profitable growth for all of our partners worldwide."

# we've been green since the beginning

The Knight-Celotex fiberboard manufacturing process keeps the environment in mind from beginning to end.

By choosing the most natural raw materials and incorporating waste reducing manufacturing methods, Knight-Celotex fiberboard can be easily recycled at the time of disposal. As a USGBC member, Green Building Initiative supporter and contributing to LEED points, Knight-Celotex maintains its earth friendly promise to keep quality high and environmental impact low.

**GREEN SINCE 1920**

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