

## **Création Baumann on growth course**

Successful launch of the world novelty GECKO

**Internationally active fabrics manufacturer Création Baumann can look back upon a successful year in business: In 2007, consolidated turnover could be increased by 6.2% to CHF 70.8 million. This success was possible thanks to the favorable development in the important sales markets Switzerland, Italy, France, and the U.S. In order to strengthen the production location Switzerland, Création Baumann, a company rich in tradition, has decided to focus on innovation: To date, the market introduction of world novelty GECKO, a silicon-coated, self-adhesive textile, has proven to be highly promising.**

Création Baumann remains on growth course. In comparison to the preceding year, consolidated turnover could be increased by 6.2% to CHF 70.8 million. This growth rate is based on a strong starting position, following an increase in turnover of 9.7% in 2006. The export share could be increased to 74% (2006: 73%). In addition to the 220 employees at the mother house in Langenthal, textile manufacturer Création Baumann operates 9 subsidiaries and 56 employees abroad. The good sales growth rate is also reflected by the profit situation, so that all employees, once again, could be paid a bonus in 2007.

## **Development of the individual product ranges**

The individual product ranges developed dissimilarly. In the „Fabrics“ field that comprises high quality decoration fabrics and textiles for private customers as well as the contract market, the well-established and top-selling product range, CRÉATION BAUMANN LINE, recorded a growth rate of 3.9%. The contract market spans the segments Office, Health Care, and Hospitality (hotels and restaurants).

The range of decorative products geared towards the private customers market, LIVING LINE, was highly successful in 2007, achieving an increase in turnover of 22.5%. This success can be led back to a stricter and clearer market positioning. The elegant and warm colours of the products belonging to this range excellently meet current living requirements.

The increase in the technical products range, SYSTEMS, with roller blinds, panel curtains, and vertical blinds amounted to 3.1%.

## **Success in the domestic market**

On country level, in addition to Switzerland, the German and U.S. markets as well as Italy, Japan, France, and Sweden proved to be the most important business markets. The overall export share amounted to 74%.

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In the domestic market, in intrasector comparison, Création Baumann achieved an above-average sales growth of 8.3%, mainly thanks to the good course of the contract market business. According to Philippe Baumann: "Consequently, we remain Switzerland's leading supplier of high quality interior decoration fabrics and will continue to strengthen this position. Accordingly, cooperation with architects, interior decorators, and specialized trade has been intensified further.

Contrary to the situation in Switzerland, in a difficult market environment, Germany recorded a slight drop in sales. This decrease was, in particular, triggered by the development of the German contract market business. In Japan, where the company runs three of its own showrooms, for the first time in 10 years, sales figures dropped slightly. The challenge consists in defending market shares against the increasing pressure of competition and on prices.

The French market developed extraordinarily well, with an increase in turnover of 25.3%. The range of Création Baumann decorative products met precisely the requirements of the French private customer and contract markets. The Swedish and U.S. markets recorded growth rates of almost 15% and 12.3% respectively. With a share of 11% of overall group turnover, the U.S. is Création Baumann's third largest export market. In Italy, following a major rise in sales in 2006, turnover could be maintained on the same level in 2007.

## **Competition involving the world novelty, GECKO**

The company launched marketing activities for this world novelty in the spring of 2007. GECKO, a fabric developed in several years of research, can be attached directly to glass surfaces thanks to its silicon coating and can be removed again without leaving any residues. In Switzerland and in Germany, renowned existing specialized interior decoration trade partners could be won as GECKO distribution partners. Consequently, in Switzerland, more than 120 retailers have included GECKO into their product ranges. In addition to private persons, our end customers are frequently also corporations such as Credit Suisse that has put GECKO to use to decorate the newly constructed office spaces at Sihlcity in Zurich.

„We believe in the innovation power of GECKO, which is why we wish to strengthen further this group of products to become a main pillar of our company,” says CEO Philippe Baumann and adds: “The GECKO product range will be expanded upon and new articles will be added as of autumn of this year. We want to offer varied solutions ensuring privacy and glare protection on all kinds of window banks and glass facades. Correspondingly, there are a great many different possibilities of use.”

With the current invitation to participate in the „GECKO: Think Forward“ competition, Création Baumann wishes to emphasize this strategic approach. The company is interested in suggestions and projects illustrating the possibilities of application of GECKO. Architects, interior decorators, and planners are all invited to participate. Création Baumann has won several prizes for this new and

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unique product, i.e. the Swiss Design Prize, the AIT Innovation Prize for Textiles and Objects, the Interior Innovation Award Cologne, and the Red Dot Design Award.

## **Production site Switzerland**

During the past year, the company invested a total of approx. CHF 1.8 million (2006: CHF 1.5 CHF): In part, in EDP and informatics, amongst others, for the further development of a centralized EDP solution for all company subsidiaries.

More than 50% of the overall sum was invested in the production machines installed at headquarters in Langenthal. "We believe in Switzerland as a production site. As GECKO shows, even if much research work is called for, the proximity between production and design sites can be a major advantage," Philippe Baumann explains. For 2008, the company's CEO foresees a further increase in sales.

## **Création Baumann in figures**

	<b>2007</b>	<b>2006</b>	<b>2005</b>
Consolidated turnover in CHF	70.8 mill.	66.7 mill.	60.8 mill.
Export share	74 %	73 %	73 %
Investments in CHF	1.8 mill.	1.5 mill.	2.014 mill.
Number of employees, incl. trainees and part-time employees in Switzerland	220	219	212
Number of employees abroad	56	59	59