

## **BUSINESS PERFORMANCE 2011**

### **Challenges successfully overcome**

The festivities celebrating Création Baumann's 125<sup>th</sup> anniversary last year could not entirely banish the challenges faced by this export-oriented Langenthal family business in 2011, particularly those challenges that were caused by the strength of the Swiss franc. CEO and proprietor Philippe Baumann is therefore all the more pleased that the company was able to maintain its consolidated turnover of CHF 53.8 million at the same level as the previous year.

The individual product lines were subject to differing levels of progress. The turnover for the two main CRÉATION BAUMANN LINE and LIVING LINE ranges (which generate 80% of the company's overall turnover) remained stable, while the SYSTEMS product range experienced a slight decline. Developments in the adhesives textiles group were extremely pleasing. Turnover in the GECKO adhesive textile increased for the fourth year in succession. As far as Création Baumann is concerned, this proves the value of innovation in new products and techniques for textiles.

As a result of the strength of the franc, the contract furnishing business declined slightly in 2011. Nevertheless, security of delivery, product quality and service still allowed Création Baumann to realise a number of prestigious references in 2011, including the Hiroshi Senju Museum in Karuizawa, Japan, designed by SANAA Architects, the Le Méridien hotel in Piccadilly, London and the ZKB branch in Zurich's Prime Tower, where the GECKO adhesive textile is deployed. The private client business is of greater relevance to Création Baumann and has made good progress, particularly in the most important Swiss and German sales markets. Thanks to an increase in sales, the Swiss home market has succeeded in returning to its pre-crisis level of 2007. In Germany, turnover has increased by a gratifying 9.5%. Other export markets experienced varying progress in 2011. For example, special factors in the UK and Spain (whose economy is suffering particularly badly under the Euro crisis) led to an increase in turnover of over 40%. Our Japanese subsidiary was also able to realise a slight rise in turnover, despite the nuclear catastrophe in Fukushima.

Export share stood at 68% in 2011, as for the previous year. This creates particular challenges for a vertically-integrated family business, whose added value is mainly generated in Switzerland despite the crisis affecting the Euro and the strength of the franc. Even in the present economically-strained position, however, we still invested 0.683 million CHF in 2011, mainly in the area of IT.

The franc is expected to maintain its present strength, and Création Baumann anticipates that 2012 will be another challenging year. As a result of past measures and targeted savings, however, Philippe Baumann looks forward to the future development of the company with confidence. He regards a sophisticated, creative and innovate range of products as a pre-requirement for continued success as a

Swiss exporting business, even when times are economically turbulent. Intensified innovation management activities and investments in the continuous development of the market are the logical consequence of this attitude. Création Baumann participates in various research projects supported by the Swiss federation (Swiss Commission for Technology and Innovation projects). As well as the Think Forward competition series, which will be announced for the third time in 2012, the Langenthal business will also act as co-organiser of this year's Designers' Saturday design event.

**Création Baumann – the figures**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Consolidated turnover in CHF	53,8 million	53.8 million	54.7 million
Export ratio	68%	68%	74%
Investments in CHF	0.683 million	1.379 million	0.650 million
Workforce, including trainees and part-time staff, Switzerland	190	202	202
Employees in other countries	57	57	58