

# PLASTICS

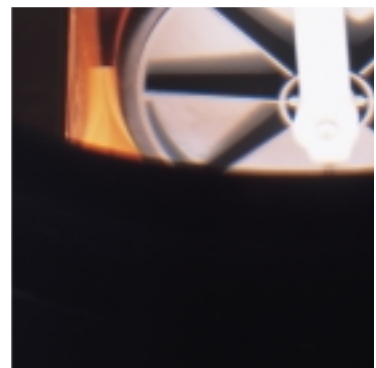
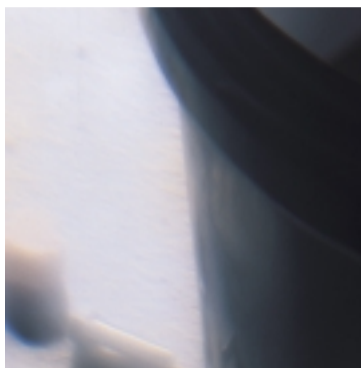
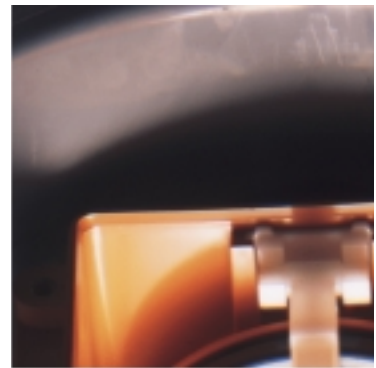
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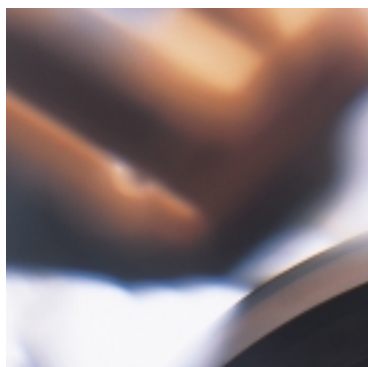
## OVERALL SUMMARY

- SHARP RISE IN PLASTIC RESIN PRICES
- CONTINUED GROWTH OF THE PRODUCTS RANGE AND CUSTOMER SERVICES
- ACQUISITION OF INTERBATH, LEADER ON SPAIN'S SHOWER MARKET
- DEVELOPMENT OF SYNERGIES WITH MARLEY

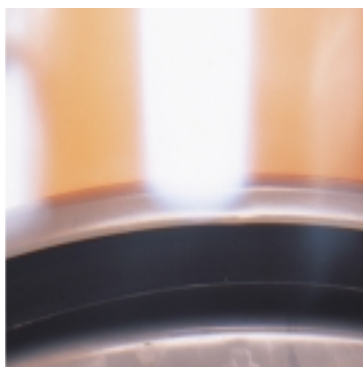
In 1999, despite an overall favourable economic environment, the plastics companies' business environment was difficult. As of the second quarter

of the year, resin prices rose regularly, and this continued at the beginning of the year 2000. At the end of December 1999, prices had already risen by 80%.





In view of this situation, the traditional development policy was maintained. To begin with, the arrival of the Marley companies was reflected in the creation of a more powerful group, with more product ranges, a group present in more countries and distribution channels. In addition, several companies created technical demonstration and training centres. Some of these companies offered large do-it-yourself stores help in presenting, labelling and storing products, and above all in exploiting synergies. This enabled each company to enlarge its market and optimise investments. Finally, the acquisition of Interbath, leader in the Spanish shower market, was a timely contribution to the range



already developed on this market.

Overall, the plastics companies finished the year with satisfactory results, and capacity investments were made in several countries to respond to increased demand.

## DRAINAGE

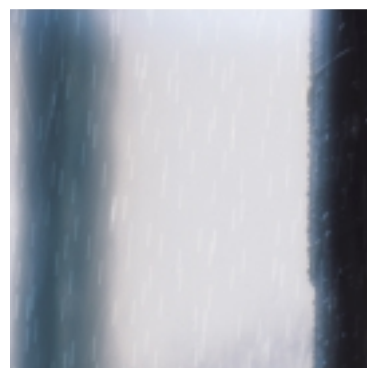
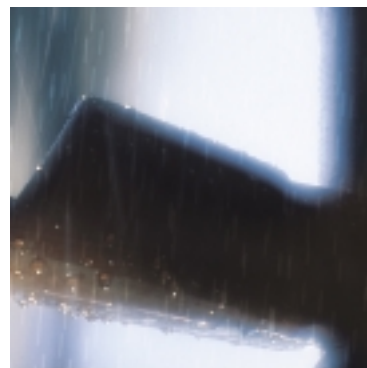
This is a market characterised by keen competition, with a strong trend toward standardisation.

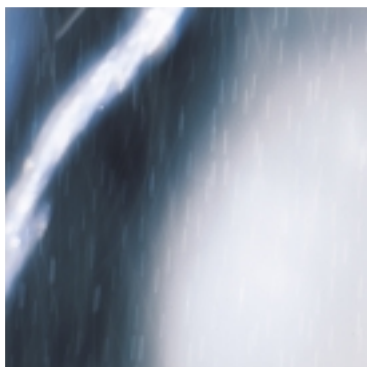
However, the plastics companies maintained their positions in those markets in which they are present, in particular in **Europe** and in **North America**.

## GUTTERING

- NEW SHAPES AND NEW COLOURS
- SIGNIFICANT CONTRIBUTION OF MARLEY COMPANIES

In a market where competition from other materials is keen, many positions were strengthened by the launch of new shapes and new colours. The contribution of the Marley companies increased our presence in several countries in **Europe**.





## SEWERAGE AND SOIL EQUIPMENT

- NEW SURFACE DRAINAGE DEVELOPED BY NICOLL IN CONJUNCTION WITH SERT
- PRODUCTS MEET NEW EUROPEAN STANDARDS AT REDI
- NEW 315 DIAMETER INSPECTION HOLE IN JIMTEN'S RANGE

Volumes stagnated and even fell in certain countries, but the companies demonstrated innovation and maintained sales overall. Jimten, Nicoll and other Group companies now have a very complete product range in sewerage and floor products. Redi improved its European competitiveness by developing products that conform to the new standards.

## PRESSURE

- MARLEY PLUMBING & DRAINAGE "EQUATOR" SYSTEM
- NEW GIRPI RANGE FOR FROZEN FLUIDS
- SICOAC POLYETHYLENE TUBES (PE) FOR GAS AND WATER SUPPLY

In order to meet demand from new markets, the companies develop technical products designed for specific applications. CPVC is used for hot water supply and continued to grow in several countries. It is expected to be launched in **China** in the near future. Marley Plumbing & Drainage has developed a reticulated polyethylene range with "Equator" rapid connection fit-

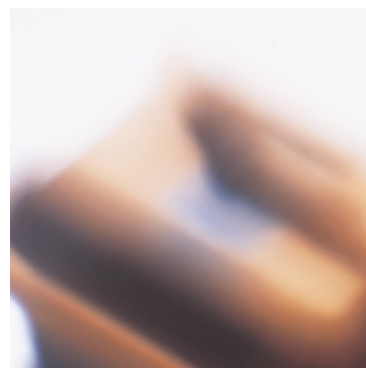
tings, which several companies are expected to use.

## SANITARY

- NICOLL "MODUL'O" CISTERNS
- "MULTIFLEX" FLEXIBLE FITTINGS LAUNCHED BY MULTIKWIK
- DUAL FLUSHING SYSTEMS BY SANITÄRTECHNIK EISENBERG (SANIT)
- INTERBATH SHOWERS

The plastics companies demonstrated innovation in this sector and greatly developed synergy actions. With the acquisition of Interbath, the shower range marketed is now very large.

As regards toilet cisterns, Sanit created a new very aesthetic range and several companies



have strengthened their presence on this market.

In Latin America **Chile** and **Argentina** suffered from a price war as did Peru : results were disappointing. Prospects are better for the future.

In **South Africa**, the situation was also very difficult. The company is currently being restructured.

## VENTILATION

- PRODUCT RANGE GREATLY ENLARGED BY THE CONTRIBUTION OF THE MARLEY COMPANIES, ESPECIALLY GREENWOOD AIR MANAGEMENT
- LAUNCH BY NICOLL OF GRIDS THAT CONFORM TO THE NEW ACOUSTICAL STANDARDS
- ABS GRIDS BY EUROPLAST

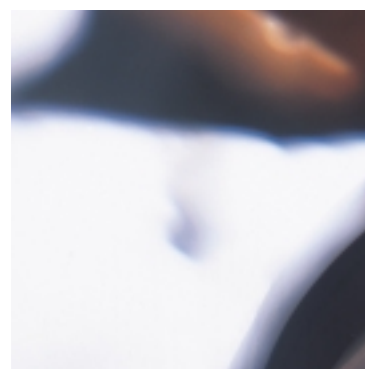
The plastics companies' range was greatly enlarged on this market with the arrival of the Marley companies. It now includes electric ventilators for humid rooms, window ventilators, ventilation grids and

roof ventilators. This is an expanding market in which products are increasingly technical. Greenwood Air Management's experience is expected to profit several other Group companies.

## PRODUCTS FOR AGRICULTURE

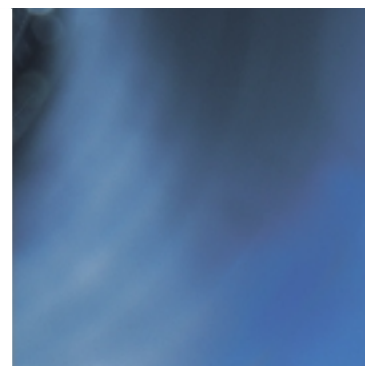
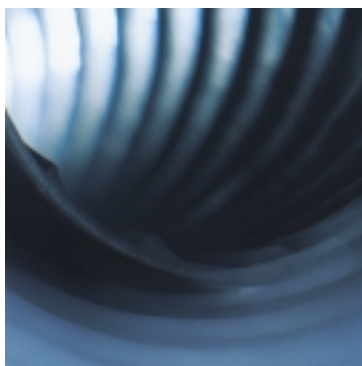
- DEVELOPMENT OF HUNTER PLASTICS' "STORMFLO"
- "ENDUROFLEX" LAUNCHED BY MARLEY NEW ZEALAND
- PRODUCTION BY SICOAC OF TUBES WITH INTEGRATED DRIPPING

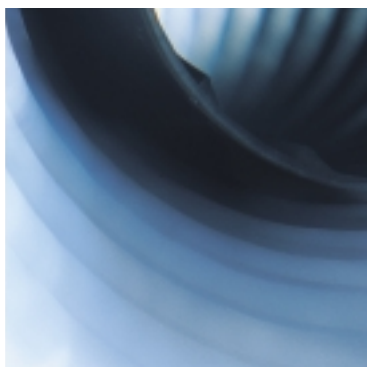
In 1999, the markets varied significantly by sector and by product. Soparco's turnover rose on a European horticulture market whose volumes



rose slightly, while prices fell. The English agricultural market remained depressed. On the other hand, the Spanish irrigation market was stimulated by the drought. In **New Zealand**, Marley, in a weak market, added to its line with Enduroflex, a flexible polyethylene tube with Jimten fittings.

The Sicoac irrigation line was enlarged by the launch of tubes with integrated dripping.





## PROFILED AND MOULDED PRODUCTS

- EXCELLENT PERFORMANCE OF MARLEY MOULDINGS IN THE UNITED STATES
- INCREASE IN EXTRUSION CAPACITY IN THE UNITED STATES
- GROWTH IN LARGE DO-IT-YOURSELF STORES

Marley Mouldings had a record year in the United States, in terms of both volume and results. Demand for moulded products for external applications (windows, doors, etc.) and from the do-it-yourself market enjoyed remarkable growth. At the beginning of 1999, production capacity was increased by 28 new extrusion lines. At the end of the year, an additional 14 lines

were put into operation in order to satisfy expected demand for the year 2000. The challenge for the year will be the increase in resin prices, which the company will have to pass on to consumers.

Marley is also present in **Germany** and in **Central Europe** with profiled and moulded products through large do-it-yourself stores.

**New Zealand's** Dynex Extrusions manufactures profiled products for industry. Its business was strong in 1999 and it developed more than 200 new shapes during the year. Marley Plastics, in **Australia**, also launched new profiled products. Marley **Österreich** developed a new high-density polyethylene (PE-hd) technical duct.

Canplas in **Canada** added to its line of waterproof industrial light projectors and increased this line's sales volumes.

As was the case with the other plastics businesses, the folding doors line was enlarged in 1999 through the launch of new models.

The plastics companies now form a group with a very large line of products for building, agriculture and public works. The group is present in most of the countries of Europe, in North America, Australia, New Zealand, China, Latin America and Tunisia. In 1999, which was marked by the arrival of the Marley companies, these companies demonstrated their strong innovative capacity, which they used to more effectively serve their clientele.

