

Dawn sells Flowcrete to America

FLOWCRETE, the flooring manufacturer chaired by Dawn Gibbins, has been sold to RPM International Inc of America, a multinational holding company with a £1.7bn turnover (compared with Flowcrete's £44m turnover in 2007, a 24% rise on the previous year).

Subsidiaries of RPM supply products such as specialty paints, protective coatings, sealants and adhesives. Its brands known in the UK include Tremco Illbruck and Zinsser. RPM, which is listed on the New York Stock Exchange, bought Flowcrete for an undisclosed sum. It has reportedly given the assurance that the jobs at Flowcrete are safe and that the deal will enable the company to grow and expand, both in the UK and overseas.

Flowcrete employs 350 people around the world, with 90 based in the UK. Mark Greaves, Dawn's husband, will continue as md at Flowcrete.

Meanwhile, the sale gives Dawn, 49, the opportunity to fulfill a life-long ambition to create a social enterprise which promotes, educates and supports the concept of Feng Shui and healthy environments into the UK's residential and business communities.

Dawn, who received an MBE for services to industry in 1994, started the business in 1982 with her late father,



Peter. She was the Veuve Clicquot Business Woman of the Year title in 2003 and was made a Pioneer to the Life of our Nation by the Queen in 2004.

Dawn comments: 'Flowcrete has been a central part of my life for 25 years but I'm glad it is being transferred into the ownership of such an entrepreneurial company as RPM, under a deal that gives the company a platform for growth, stability and success.'

At this stage, Flowcrete's offices and manufacturing plants in Brazil and South Africa are not part of the deal with RPM.

■ www.flowcrete.com

ABOVE: Left to right, Dawn Gibbins and Mark Greaves with David Reif and David Dennstead of RPM International Inc

472 builders go bust in first quarter of 2008

THE latest quarterly surveys paint a gloomy picture of the construction industry with workloads down and business failures up.

A total of 472 builders went bust in Q1 2008, up 12.9% on the first quarter of last year, according to Experian, the global information services company. During the same period five building materials manufacturers went to the wall.

Across all sectors there was an 8.5% rise in UK business failures in Q1 2008, the first increase since Q4 2006. With 4,798 businesses failing, this was 374 up on Q1 2007.

■ The Equifax Business Failures Report for Q1 2008 also reveals a rise in business failures across all sectors and regions of UK. The construction sector was among the worst hit, with an 11% increase in firms going bust, up 7.9 compared with Q4 2007.

■ The Chartered Institute of Purchasing and Supply (CIPS) construction purchasing managers' index (PMI), meanwhile, shows UK construction activity declining in March for the first time in over six years. New order volumes fell at a survey-record rate and input price inflation reached a 40-month high. In fact, new orders declined for the first time since October 1998.

'Failed companies expose their suppliers to bad debts. It's never been more important for companies to ensure they take every step they can to protect themselves, including checking to see if their customers are taking longer to pay invoices'



Tony Pullen, md of Experian's business information division

However, it notes big differences in the different sectors in March. Residential construction activity fell for the fourth consecutive month and at the sharpest rate in the survey history.

Commercial construction activity also fell at a survey-record pace. In contrast, civil engineering work rose significantly. Overall levels of confidence were the lowest for nearly 10 years.

■ The latest Ernst and Young Construction Products Association Activity Barometer, reports the construction products industry experiencing its slowest quarter for sales in over two years. However, it

Q1 2008 business failures

East Midlands	up 53.6%
Northern Ireland	up 51.9%
North West	up 24.7%
North East	up 23.1%
East Anglia	up 22.6%
Yorks & Humber	up 20.2%
London	up 13.4%
Wales	up 3.8%
South East	down 5.2%
South West	down 7.5%
Scotland	down 14.6%
City of London	down 24.3%

(Source: Experian)

forecasts continued growth in the construction industry over the next few years, helped by high profile schemes such as the Olympics projects and Crossrail.

■ New figures from the Royal Institution of Chartered Surveyors (RICS) also reveal growth in construction workloads dropping to its lowest level for more than a decade because of the credit crunch and slump in demand for housing.

Other RICS figures state that expectations for profits fell for only the second time in the survey's history while confidence that workloads will increase has fallen for the fifth consecutive quarter.

Business in brief

Stikatak snapped up

Interfloor has acquired Stikatak, the flooring accessories supplier with a thriving export business. Interfloor manufactures carpet underlay and flooring accessories with brands including Tredaire, Duralay and Gripperods.

Polyflor flying high

James Halstead, parent company of Polyflor, increased its turnover by 14.8% to £78.5m in the six months to December 31, 2007. Meanwhile pre-tax profit rose to a record £13.1m, up 16.2%.

Julie has MBO at D-Drill

Julie White, daughter of diamond drilling pioneer Peter White, has completed a management buy-out from her father, who is retiring. Julie becomes group md of D-Drill (Master Drillers) and Super floor.

Pergo revenue up

Pfleiderer, the German group which owns Pergo, reports a 27% rise in revenue in 2007 and expects a 15% increase this year.

Forbo sales hit £1bn

Forbo's Swiss parent company saw profit up 81% last year to £57m with sales rising 6.6% to £1bn.

Brintons shuts in Oz

Brintons is to close its factory in Breakwater, Australia, next month. The company blames economic factors and the growth in imported products, notably from China.

Carpetright buys retailer

Carpetright has bought retailer Carpetworld, which has 13 outlets and 85 employees.

Timber prices up 12.3%

A 12.3% hike in timber prices in the year to March, 2008, were among the rising material costs for contractors, says a new survey.

Feltex closes NZ plant

Feltex, the major New Zealand carpet manufacturer, has closed one of its factories and reportedly plans a second factory closure in August.

QUOTE:

'The credit crunch has made it a great time to buy new businesses'

— Garvis Snook, chief executive of main contractor Rok