

**Sommer Allibert**

**A Company Profile**

**February 1995**

**SOMO/ Mechtild Rosier**

**On behalf of the ETUC-TCL in Brussels**

## Company profile SOMMER ALLIBERT

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## Introduction

With its two main brands - SOMMER and ALLIBERT - the **Sommer Allibert Group** processes synthetic resins to create a wide range of home furnishings and automotive parts. It also produces equipment for use in industry and municipal services.

The group operates on a variety of markets. In Europe and worldwide, Sommer Allibert is one of the largest companies in each of these sectors.<sup>1</sup>

The company maintains its registered office in Nanterre, just west of Paris.<sup>2</sup>

Sommer S.A. is 29th on the list of the biggest Textile companies of the world, and holds the third position on the French list of textile companies, after the respectively numbers one and two: D.M.C and Chargeurs Textile.<sup>3</sup>

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<sup>1</sup> Annual Report 1993

<sup>2</sup> Moody's

<sup>3</sup> COMITEXTIL, bull. 93/6

## I History

The SOMMER ALLIBERT GROUP was formed in 1972 by way of merger of societe Allibert and Sommer.

Since then many changes in form and size of the company occurred. We will describe most of them, (not claiming to give complete information<sup>1</sup>), starting in 1986:

### 1986

Establishment of Sommer Allibert International NV  
Acquisition of 50% stake in Allibert Industria

### 1987

Acquisition of 50% interest in Gunusa  
Acquisition of 50% interest of Moltex  
Acquisition of 50% interest in Manufacturados Garcia

### 1988

Acquisition of the business assets of Ilga-Gomma, and the Narni linoleum plant

### 1992

Company disposed of production unit (july) for waterproofing products for construction industry; it was sold to Plavina (Belgium), which is a subsidiary of Solvay.

Closure of rubber products plant in Italy

Closure of Triconfort plant in Saint Clair (production of high quality resins has been transferred to the plant in Grenoble

Closure of plaster plant in Turin, Italy.

Opening of plant in Washington (UK)

Acquisition of Rotomolding in Spain (production of tanks)

### 1993

Acquisition (jan.) of Techniques Nouvelles de Signalisations (TNS), in Nancy, France, specialized in the design and manufacture of road marking products;

Acquisition (march) of 28.5% in Recyclen Europe, specialized in the manufacture of recycled plastics;

Opening of packaging plant in Whippany, New Jersey, USA.<sup>4</sup>

### **Automotive Industry**

Start-up (jan.) of a plant in Saragossa, Spain;

Start-up (july) of a plant in Fradley (UK);

Acquisition (sept.) of 25% stake in Polifleks, Turkey, production of dashboards, bumpers and door panels for Renault;

Construction (sept.) of a new plant at Palmela (near Setubal), Portugal for the

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<sup>4</sup> Moody,s International Manual 1994, page 2897

production of interior trims for a joint Ford-Volkswagen project;  
Joint-venture (dec.) with the Japanese company Inoac to equip the BMW plant in South Carolina, USA.

**Floor and Wall Coverings**

Forming (oct.) of a distribution Subsidiary under a joint-venture agreement in Bangkok, Thailand

**Equipment**

Allibert Urban Development signs (june) a Joint-venture with South-Korean Plakor;

Allibert Urban Development signs (dec.) a commercial accord with Dynoplast, Norway.

**Packaging**

Start-up (june) of the Whippany plant, USA;

Qualipac takes a 50.1% controlling stake (sept.) in Priminter (Asia).<sup>5</sup>

**1994**

Sommer-Allibert 29 september 1994 officially opened its two new factories in Clervaux, Luxembourg. The Sommer Revetement plant has been operational for one year and the Sommer Industrie plant for more than two years.

Clervaux was chosen as a site because of its location allowing easy access to the group's main clients in Germany, Belgium and France, and because there were staff available due to job reductions at the group's Wiltz factory. Around 200 people are employed in the new factories. The initial investment was LuxFr 1.6bn in Sommer Revetement and LuxFr 400m in Sommer Industrie.

In september 1994 Sommer Allibert started a proces to reorganise its thirteen subsidiaries in Spain, which the group acquired since 1980.<sup>6</sup>

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<sup>5</sup> Annual Report 1993, p.10

<sup>6</sup> Expansion FT, 23-9-1994

## II Structure

Because of the variety of business areas in which the group is involved decentralization is a fundamental part of its organization. Activities are managed in five different divisions.<sup>7</sup>

SOMMER ALLIBERT has (1993) 57 production sites worldwide, of which 26 in France, and 26 elsewhere in Europe, 4 in North America and 1 in China. With 121 subsidiaries, including 82 outside France, it is mainly a European Company, on its way to becoming a global player.<sup>8</sup>

With five major divisions, SOMMER ALLIBERT is a diversified group, which tries to specialize in each of these core businesses, but also seeks new ways to apply its technologies.<sup>9</sup>

The **five divisions** are:

- Automotive Industry
- Floor and Wall Coverings
- Home Furnishings
- Equipment
- Packaging

With headquarters in **Nanterre, France**, the Company is lead by the following people:

### **Supervisory Board**

Bernard Deconinck, Chairman  
Irene Allibert  
George Chodron de Courcel  
Didier Deconinck  
Corinne Deconinck  
Francoise Deconinck  
Francois Faure  
Foundation F. and P. Sommer, represented by Paul Baudin  
Léopold Jeorger  
Catherine La Bonnardiere  
Christian de Longevialle  
Pierre Muron  
Pierre Sommer (Honorary Chairman)

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<sup>7</sup> Annual Report, p.16

<sup>8</sup> Annual Report 1993, p.10

<sup>9</sup> Annual Report 1993, p.11

## **Executive Board (= \*) and Management Committee**

Marc Assa, Chairman

Finances, Admin. & Human Resources:  
Michel Cognet\*; Michel Audan

Purchasing and Investments:  
Bernard-André Deconinck \*

Sommer Allibert Industrie:  
Régis Maitenaz\*; Jean-Michel Elter

Sommer:  
Jean Miliotte\* ; Rene Bomboire

Allibert:  
Eric Deconinck \*

Allibert Equipment:  
Jean-Paul lesage

Qualipac:  
Paul Lugat, md

## **Corporate Departments**

Corporate Finance:  
Philippe Chabeau

Management Control & Long Range Planning:  
Danielle Feunteun<sup>10</sup>

For a graphical reproduction of the company structure, see ANNEX II

SOMMER ALLIBERT INDUSTRIE AG (SAI AG) controls most of the interests of the group outside France and primarily those of the Automobile Industry Division.<sup>11</sup>

The company in Frankfurt acts as a holding company for investments in 34 firms.<sup>12</sup>

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<sup>10</sup> Annual Report 1993, p.4/5

<sup>11</sup> Annual Report 1993, p.9

<sup>12</sup> Boersen Zeitung, 29 April 1994, Page 13

### III Activities

SOMMER ALLIBERT is European leader for injected plastics and floor coatings. In all the group uses over 35 technologies.<sup>13</sup>

#### Automotive Industry

As has been said in the preceding chapter SOMMER ALLIBERT INDUSTRIE AG (SAI AG) controls most of the interests of the group outside France and primarily those of the Automobile Industry Division.<sup>14</sup> The Group controls 62.5% of the company's (SAI AG) share capital, and another 27% of the shares are in the hands of institutional investors.<sup>15</sup>

This division produces the following products: plastic dashboards, consoles, bumpers, trim parts and side mouldings. Furthermore: moulded carpets, sound-proofing mats, rear window shelves, boot liners; and door panels. There are 27 production sites (1993) involved in this division: 9 in France and Spain each, 4 in Germany, 2 in England, and 1 in Luxembourg, USA and Portugal each.<sup>16</sup>

SOMMER ALLIBERT supplies all the major European automakers from 34 firms around the world.<sup>17</sup>

Car production in Europe fell by over 15%, therefore Sommer Allibert's steady sales can be seen as something of an achievement. Sales in France dropped by 3.7%, but those in Germany rose. Spanish market was hard hit by the recession. Sales rose in the Benelux (21%) and the UK (20%).

Sommer Allibert strengthened its presence with **US** carmakers. In the year 1993 it received approval for the sale of products manufactured by its subsidiary **Milliken Sommer**.<sup>18</sup>

At the beginning of 1995 the company has 3 operations in the US: **Sommer Allibert Industries**, producing car bumpers, **Allibert Inoac** (JV with Japanese Company), manufacturing dashboards and door panels, and **Milliken Sommer**, producing boot floors and carpets.<sup>19</sup>

The **Sommer Industrie Luxembourg** plant was in september 1993 doubled in size

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<sup>13</sup> Annual Report, 1993, p.13

<sup>14</sup> Annual Report 1993, p.9

<sup>15</sup> Boersen Zeitung, 29 April 1994, page 13

<sup>16</sup> Annual Report 1993, 16/17

<sup>17</sup> Plants Sites & Parks Predicasts, september 94,  
Missouri

<sup>18</sup> Annual report 1993, p.18/19

<sup>19</sup> European Plastics News, Vol. 21, No. 10, 19-1-1995



in order to produce soundproofing mats and moulded carpets for the Ford Escort.<sup>20</sup>

The since 29 september 1994 new factory at Clervaux, part of Sommer Industrie, makes interior fittings for cars and it was built on the strength of the group's contract to supply Ford's factories at Cologne, Saarlouis and Genk with fittings for

Fiestas and Escorts. The close proximity of the plants allows Sommer to operate an efficient 'just-in-time' delivery system. Sommer Industrie numbers BMW and DAF among its other clients.<sup>21</sup>

IAPMEI has closed a deal with Sommer Allibert november 1993. This company invested Esc 10,700m in **Palmela, Portugal**, in a venture creating 660 jobs.<sup>22</sup>

The new plant is for production of interior equipment for VW and Ford vans. Production start is scheduled for early 1995. The main client will be AutoEuropa.

One of the more recent French investments in the West Midlands, UK, is that Sommer Allibert built a pounds 10 million plant near **Lichfield** to produce plastic interior trim for Toyota. Sommer Allibert Industries in february 1994 officially opened its new 22,000sq ft factory at Fradley Park in Lichfield, creating 30 new jobs in the process, and announced plans to expand the unit within the next two years. The company is hopeful of developing contracts worth in excess of Pounds 15m per year by 1997.

The car components company also in may 1994 officially opened its new Staffordshire factory - yet marked the occasion by announcing further expansion within two years. Sommer Allibert has its UK administration base at Droitwich, Hereford-Worcester.<sup>23</sup>

Sommer-Allibert also wants to follow carmakers and their new projects to South America, Mexico and India.<sup>24</sup>

Sommer Allibert Industrie AG issued, may 1992, 3.41 million new ordinary shares which were taken over by Amsterdam-based

Sommer Allibert International NV in exchange for shares in two companies: **Merali NV** and **Bertsom NV**, which are both located in Amsterdam, **The Netherlands**.

Merali and Bertsom are active in car components and floor coverings. Their

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<sup>20</sup> Annual Report 1993, p.13

<sup>21</sup> Luxemburger Wort, 30 September 1994, Page 7

<sup>22</sup> Espresso, 13 November 1993, Page 1

<sup>23</sup> Birmingham Post, 28 jan. 1994, page 40 and 10 February 1994, Page 23.; Birmingham Post FT, 24-3-'94

<sup>24</sup> El Pais, 30 December 1993, Page 2.; Frankfurter Allgemeine, 29-4-1994

takeover by Germany's Sommer Allibert will serve to internationalise its business.<sup>25</sup>

In may 1994 Sommer Allibert made an agreement with the German Group **Lignotock** to buy the remaining 25% stake in its **Spanish** subsidiary in Valencia which it didn't own yet. The company will be restructured and modernized during two years, employing 750 people.<sup>26</sup>

**Triangler Daemmstoffwerke GmbH**, a subsidiary of Sommer-Allibert Industrie AG, will in 1995 become the first **German** supplier of car parts made of flax. It has developed a boot lid for Volkswagen's (VW's) Golf Ecomatic, and further uses for the renewable resource are being considered.<sup>27</sup>

### Floor and wall Coverings

In this division are made: strips and tiles of vinyl, textile and linoleum; and sports surfaces, for consumers and construction market. The division counts 12 production sites. Four production sites are situated in France, 2 in luxembourg, 2 in North America, one in Germany, Spain, Italy and China each.<sup>28</sup>

### WORLD LARGEST 10 CARPET MANUFACTURERS

name	country of
sales 1992	ownership
(million US\$)	
1 Shaw Industries	USA2036
2 Beaulieu Group	Belgium1935
3 Interface/Heuga	USA 460
4 Alladin	USA 394
5 Queen	USA 362
6 <b>SOMMER</b>	France 360
7 DePoortere	Belgium 359
8 Mohawk industries	USA 353
9 Peerless/Galaxy	Canada 343

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<sup>25</sup> Boersen Zeitung, 29 May 1992, Page 14.;Kunststoff Information, Vol. 23, No. 1165., 14-2-'94

<sup>26</sup> FT, Espana, 7-2 and 13-5-1994

<sup>27</sup> Sueddeutsche Zeitung, 23 December 1994, Page 20

<sup>28</sup> Annual Report 1993, p.16/17

Surprising to many is that Sommer is sixth in the global list of textile floorcovering producers. And Sommer UK is probably the only company in the country with the ability to offer a total floorcovering capability including linoleum; vinyl in sheet and tile, and both broadloom and carpet tiles. While its business in both the retail and contract sectors is growing rapidly, its European parent is already an established and major force.

The automotive industry is one of the carpet industry's most demanding customers, requiring the highest levels of product performance and quality control. Sommer's current position as supplier to 17 popular models is ample evidence of its quality credentials.<sup>30</sup>

The construction Industry in Europe was hit by a 1.5% fall in sales. However there was a strong demand in the rehabilitation market. For Sommer, plastic coverings performed better than textiles, so the textile range was scaled back to emphasize on high value-added products, such as tiles. The first collection of textile coverings produced with the ink-jet process were launched in 1994, aimed at the hotel industry. Sales from subsidiaries abroad were hurt by currency devaluations.

To strengthen its position in rapidly expanding Asia, Sommer started a Joint-venture in **Thailand** to distribute textile tiles for the office market. The group held up till 1994 a 28.2% stake in the **Canadian** cladding manufacturer **Domco** and its subsidiary **Azrock** in the USA. Another 28% stake was held by the Italian **Acmon**. **Domco** acquired in march 1994 its US competitor **Nafco**.<sup>31</sup> **Canada Inc.**, a subsidiary of Sommer Allibert SA, acquired an additional 1,584,884 Common shares (Dollars 24 a share) in the share capital of **Domco Industries Ltd.**, december 1994.

Sommer Allibert now holds 5,275,639 Common shares in the share capital of **Domco** through **Canada Inc.**, which represent approximately 76.8% of the issued capital of **Domco**. **Domco** is third of North-America's largest manufacturers of resilient vinyl floor covering, after **Armstrong** and **Congoleum**. In addition to its head office and plant in **Farnham** (Quebec), **Domco** has two other manufacturing facilities located in **Houston** (Texas), and **Florence** (Alabama).<sup>32</sup>

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<sup>29</sup> Carpet & Floorcoverings Review, 19-11-1993

<sup>30</sup> Carpet & Floorcoverings Review, 19-11-'93

<sup>31</sup> Les Echos, 31 March 1994, Page 7.;AR 20/21

<sup>32</sup> Business Wire, 2-12-1994; Financial Post, 22 November 1994, Page 55; Les Echos FT, 8-11-1994

In June 1993 a new calender was installed at the **Narni plant in Italy** to increase linoleum production.<sup>33</sup>

Linoleum manufacture has become largely a lost art: there are only three manufacturers in the whole of Europe and only the Narni plant is capable of making a totally homogeneous product.

Manufactured from totally natural ingredients including linseed oil, wood flour from coniferous trees and cork dust from the bark of the cork oak, linoleum is a very 'green' if difficult to manufacture product.

Sommer entered the market in 1988, aware of the drawbacks but determined to accentuate the positive. The company had confidence in the revival of interest in the product: it was environmentally friendly a massive plus factor in this day and age.

While the cost of raw materials was low compared with vinyl, Sommer accepted that the high labour costs involved in the process would make it much less profitable. In an age of the 'just in time' supply concept, the manufacture of linoleum presents a major problem. Even modern technology cannot telescope the time scale: batch production runs to a minimum of a month and a half.

So there must be stock, lots of stock to service customers adequately. One million sq m of product is held at Narni and at the various distribution points throughout Europe. Sommer is currently producing linoleum for self-adhesive tiles which are packed in boxes containing 1 sq m and sold throughout Europe by the Ikea chain for domestic use.<sup>34</sup>

The plant in **Sedan, France** offers a complete contract-focused multi-product facility with the emphasis on a high level of service. It manufactures tufted; needlefelt; carpet tiles, and pvc wall and floorcoverings, and has a bank of 24 tufting machines, as well as its own spinning capability, and yarn processing. Nine hundred people work a two to three shift system and between them produce 120m sq m of product a year. The majority of the production finds its way into the contract market.

Sedan, like all Sommer plants, works to ISO 9000 standards.

Since Sommer sells carpet tiles worldwide and has major customers in Singapore, Japan and Hong Kong as well as Europe, the team regularly visits all the international design fairs,

so that their design offer is always relevant to local tastes and cultures. Sommer uses its Tecsom CAD system, and is one of the few companies that allows the designer to offer a total design solution throughout a building.

Sedan does substantial business with the Far East as well as Europe. The expertise which surrounds the manufacture of carpet tiles is equally impressive. Careful engineering has given the company the confidence to offer a 10 year guarantee on all its carpet tiles.

Since speed of design is of the essence for many clients, Sommer uses its Tecsom CAD system extensively to design and trial product on site to allow

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<sup>33</sup> Annual report 1993, p.13

<sup>34</sup> Carpet & Floorcoverings Review, 19 nov. 1993

customers to see their idea replicated on carpet tiles. Important investment at Sedan has been in the creation of an educational installation centre which was opened november 1992.<sup>35</sup>

Sommer has december 1993 invested FFr 70m in a new machine at its carpet factory in Hamlen in Germany capable of producing any design requested by customers. It produces personalised designs using a CAD system which sends printing instructions to the machine.

Sommer has chosen to target the hotel sector as the first area to apply the new technology as this area is the most advanced in terms of personalisation. The firm is aiming to capture 10% of the hotel textile market within the next two years and is soon to launch Pictura Hotel Project. Sommer is to follow the launch of Pictura with two other collections for the office and retail sectors.<sup>36</sup>

The lion's share of Sommer's retail sales are in cushioned vinyl, which is available in 2, 3 and 4m widths. It is 3m, however, which is the best-seller, because the product remains a firm favourite for kitchens. And kitchen floorcoverings are replaced quite frequently.<sup>37</sup>

In november 1993 Sommer launched two new vinyl products. The first, called Scarlati, is a new fire retardant floor covering. The other product is Topisol Module, claimed to be Britain's first heavy contract loose-lay vinyl tile.<sup>38</sup>

The archduchy of Luxembourg is smaller than Hampshire but houses one of the largest pvc plants in the world. Fifty kms each from the borders of France and Germany, and 10km from Belgium, Wiltz is centrally placed to service the whole of Europe. It employs 550 people. The plant is totally integrated; uses all three technologies - lamination, coating and extrusion - and produces enormous volumes annually.<sup>39</sup>

The government agreed in september 1994 to give Sommer SA in Wiltz financial assistance with a research project. The three-year project aims to develop a new non-PVC-based laminated product to complement Sommer's existing range of synthetic floor coverings.<sup>40</sup>

September the 29th 1994 the Sommer Revetement plant in Clervaux was officially opened, after having been operational for one year. The new plant at Clervaux, 15km from the Wiltz plant has a 4m capability, making the process suitable for domestic ranges. The aim is to increase output from the current

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<sup>35</sup> Carpet & Floorcoverings Review, 19-11-1993

<sup>36</sup> L'Usine Nouvelle, 16 December 1993, Page 44.

<sup>37</sup> Carpet & Floorcoverings Review, 19-11-'93

<sup>38</sup> Construction News, 25 November 1993, Page 28

<sup>39</sup> Carpet & Floorcoverings review, 19-11-1993

<sup>40</sup> Luxemburger Wort, 24 September 1994, Page 9

600,000 sq m to 3.4m sq m a year. At the end of 1995 a new phase will be completed at Clervaux: the erection of a finished goods warehouse.

The factories in **Wiltz** and Clervaux have combined production capacity of 37m square metres a year, and turnover of LuxFr 5.5bn. The main market is France, accounting for 40% of sales, followed by Germany(15%) and Benelux(10%).<sup>41</sup>

The activities in luxembourg together constitute the world largest production centre for vinyl flooring.<sup>42</sup>

### Home furnishings

This third division produces in 6 production sites in France: furniture (chairs, tables, cushions and parasols); bathrooms (cabinets, mirrors, accesories, bathtubs, sinks, furniture, toilet seats and covers); and (para)medical equipment. Customers are consumer and contract markets.

The outdoor furnishings sector deteriorated over 1993, and there was strong competition. Furniture sales fell by 19%, half of which decline was due to the winding up of the Joint-venture with Rubbermaid in 1992 (US). Rubbermaid and Sommer Allibert had a joint venture to produce plastic furniture that broke up after floundering for three years. Rubbermaid now operates that former joint effort. Sommer Allibert continues to act as a consultant to Rubbermaid Inc. of Wooster, Ohio, on the manufacturing of plastic furniture.<sup>43</sup>

In France sales increased. The **Triconfort** company reported sales of FF 91m, and strengthened its position in and outside of France.

The bathroom sector remained profitable in Europe. The slight drop in sales was caused by the withdrawel of unprofitable product lines. The heavy effects of currency devaluations resulted in the redeploying of activities in Spain.

French **Technoplast** (acrylic bathtubs) was able to increase turnover by almost 70%.<sup>44</sup>

Production of all furniture and bathroom equipment is concentrated in the Dauphine region. The **Moirans plant** is producing toilet seats and covers, formerly made by the Italian Plaster. Production of resin furniture is september 1993 transferred to **Grenoble**.

That same month the **Allibert Medical department** was formed, in order to market (para)medical equipment.<sup>45</sup>

In the first week of september 1994 the Sommer Allibert group, presented a

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<sup>41</sup> Carpets & Floorcoverings Review, 19-11-1993; Luxemburger Wort, 30 September 1994, Page 7

<sup>42</sup> Annual Report 1993, p.13

<sup>43</sup> Plastic News 18-10-1993; Annual report 1993, p.16/17

<sup>44</sup> Annual Report 1993, p.22/23

<sup>45</sup> Annual report 1993, p.11

plan to its works committee involving the reorganisation of its main plant at Grenoble. The plant produces mainly garden furniture and bathroom suites. Allibert's management plans to transfer production of bathroom suites from the site to another at Voreppe, where it will implement a modernisation programme requiring an investment of FFr 35m.

The plant in Grenoble will concentrate on top-of-the-range garden furniture and a developing activity, medical trolleys. Allibert is aiming to reduce production costs with the restructuring and cut losses after three difficult years.<sup>46</sup>

### 1995

ACO-Gruppe of Rendsburg is cooperating in the field of day shafts with Sommer Allibert of Grenoble. ACO describes itself as the European number one in the field of line drainage.<sup>47</sup>

### **Equipment**

This division has 7 production sites (1993): 3 in France, 2 in Spain, one in England and Luxembourg each.

The division is organized in two business units. The business unit 'Storage and Handling' manufactures: containers, pallets, pallet-boxes, tanks and bottle-crates. Its markets are agriculture, fishing, food processing, distributive trades and industry.

The business unit 'Allibert Urban Development' has two product lines: waste receptacles, and metal and plastic signposting and street furniture. Customers are local authorities, public works departments and waste collection companies.<sup>48</sup>

#### Storage and Handling:

1993 knew an estimated drop of 15% in volume of orders, and sales fell by 9%, also due to devaluations. The decline was most pronounced in agriculture and industry. Major areas of activity are: France, UK, Germany and Spain.<sup>49</sup>

In 1994 Sommer Allibert Ltd. in Worcestreshire, UK has in addition to its existing 40, 50 and 78 litre distribution boxes, offered a 60-litre model. It will take a drop-in card with delivery information and a recess in the base of the boxes for barcode labelling. The integral hinged has 'fingers' to protect the goods.<sup>50</sup>

A leasing system for reusable plastics crates and trays for grocery distribution

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<sup>46</sup> Les Echos, 13 September 1994, Page 17

<sup>47</sup> Sueddeutsche Zeitung, 20 January 1995, Page 28

<sup>48</sup> Annual Report 1993, p.11/16/17

<sup>49</sup> Annual Report 1993, p.24

<sup>50</sup> Grocer, 17 December 1994, Page 31

was introduced in the UK early this year (1995).<sup>51</sup>

**Steco-Allibert European Logistic Systems**, a joint venture (june 1994) with the Austrian plastics company Steiner, will produce and sell plastic crates and cartons with the aim of achieving turnover of at least FFr 100m within three years.

The idea of using plastic crates to replace the existing wooden crates was put into practice two years ago by German group IFCO. The Sommer-Steiner venture intends to rent out the crates, collect them, wash them and then rehire them out to new customers. Agri-food groups will be able to be 'green' by using the rent-and-wash system without having to suffer any cost penalties compared with the traditional wooden crates. The aim is that each day a few thousand of these crates will be produced in the **Ebenseer** factory (15 million a year), and the same amount should be manufactured in France and Spain as well.<sup>52</sup>

#### Urban Development:

Turnover of this segment remained equivalent to 1992.

Formed on 1 june 1993, Allibert Urban development combines three activities: Signposting (before branch of Allibert Handling); road marking and street furniture (TNS); and waste receptables.

A joint venture with the South Korean **Plakor** was signed in june 1993, and in december a commercial agreement with **Dynoplast** (Norway).

Allibert's new range of heavy duty GRP corrosion-free safety walkway and access flooring is the latest addition to the company's Alligrd range.<sup>53</sup>

The French street furniture manufacturer **Allibert Manutention**, acquired january 1993, the assets and goodwill of **Techniques Nouvelles de Signalisation (TNS)**. Based at Maxeville, near Nancy, TNS turns over FFr 50 million and filed for bankruptcy on 5 January 1993 due to its high level of debt.<sup>54</sup>

#### Packaging

In this smallest division bottle caps, bottles, trim, cosmetic cases, lipstick and mascara are manufactured. Customers are the perfumes and cosmetics industry, and the food industry. There are (1993) 5 production sites, of which one in the USA and the other 4 in France.<sup>55</sup>

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<sup>51</sup> Packaging Week, 1-12-1994

<sup>52</sup> Les Echos, 30 September 1994, Page 9.; Der Standard FT, 28-6-1994

<sup>53</sup> Contract Journal, 22 July 1993, Page 18

<sup>54</sup> Les Echos, 28 Jan 93

<sup>55</sup> Annual report 1993, p.16/17



The Aurillac plant increased august 1993 its galvanoplastics potential by 40%.<sup>56</sup>

In France the cosmetics and perfume markets shrank by between 10 and 15% in 1993. Qualipac's sales on the French perfume market fell by 8.5%, partly explained by the ending of subcontracting for Gilette in Annecy. Furthermore 45 new machines were brought in line, to produce the packaging for "Tribu". Sales to the UK doubled. Auriplast is the main subsidiary, which maintained a high sales level. LMA, subsidiary of Qualipac, launced a new bottle cap: Qualitop.

The perfume bottle manufacturer, Pochet moved into the tableware sector with the acquisition of a 51% stake in Lalique. There have been a number of moves in the first months of 1994. The first was a joint investment with Sommer Alibert in Qualipac. There have also been complicated negotiations on the future of Pochet's partnership with Hermes in Saint Louis.

Sommer Allibert of Paris is no stranger to the US market, but retreated - in part - after a joint venture with Rubbermaid failed in 1992.

The company in 1993 invested Dollars 5 million in a packaging plant in Whippany, New Jersey, which was Sommer Allibert's first packaging venture in the United States. The Whippany plant, specialized in injection and decoration, started production in june. It employs about 40 people, according to the annual report, but 15 people according to an interview with the corporate communications manager (8 oct. '93).

Sommer Allibert has five injection molding machines at the Whippany plant, where it is making packaging products for cosmetic manufacturers such as Calvin Klein Inc. and Estee Lauder Inc. The company is designed to produce simple packaging products for cosmetic manufacturers in the United States, because of the costs of transportation and the current weakness of the US dollar.

In the US Qualipac Corp. tripled its sales. In september Qualipac took a 50.1% stake in Priminter, which imports cosmetic articles from South Korea and China. This acquisition gives the company a source of supply in Asia. Priminter also has a subsidiary in the US.<sup>57</sup>

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<sup>56</sup> Annual Report 1993, p.13

<sup>57</sup> Annual Report 1993, p26/27; Plastic News 18-10-1993; Le Figaro Monday Supplement, 16 May 1994, Page 8

## IV Strategy

SOMMER ALLIBERT follows an aggressive growth strategy and an emphasis on products with high profit margins, such as medical equipment.<sup>58</sup>

Over the next three or four years the group aims for the automotive division to make up 60% of turnover. Dashboards are a particularly important activity which has been evolving very quickly over past years as new features become more and more common in new cars (telephones, airbags).<sup>59</sup>

Sommer Allibert is planning to exhaust further rationalisation potential and optimise production in order to stabilise the profit situation and balance out price pressure on car manufacturers.<sup>60</sup>

The rise in earnings has been brought about by a number of factors, in particular the positive effects of restructuring implemented in 1991-92, and the increase in market share resulting from the group's two pronged strategy of specialisation and international expansion.<sup>61</sup>

Sommer Allibert Industrie AG decided to increase its present capital of DM 255.2m by between DM 100-200m in summer 1995. The resulting funds will be used to finance projects in Portugal, the US and Asia.<sup>62</sup>

Floor coverings account for 28% of sales, but the business is fragmented. Vinyl coverings have done well, as Sommer Allibert is part of the small group of companies which virtually control the sector. Textile coverings have not done so well, however, and the group's strategy will be to concentrate on vinyls in future. In 1994 proportions were 60 to 40 (vinyl-textile). Over two years, the proportion is to be brought to 75/25.<sup>63</sup>

Sommer Allibert is a group with vision. It plans not just a couple of years ahead, but 10 or even 20. Its philosophy is one of innovation and product excellence backed by an enormous ongoing investment programme in state of the art production facilities and research and development.

Today the company is a self sufficient vertical operation which is hi-tech and highly efficient. Innovation is of the essence both to create new products and bring them to market and to improve product quality, performance and service.

Although many of its markets have been suffering through recession Sommer Allibert has rigidly maintained its high quality standards. It remains totally opposed to the concept of reducing product quality and performance to meet

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<sup>58</sup> L'Usine Nouvelle, 7 April 1994, Page 32

<sup>59</sup> Le Figaro Monday Supplement, 2 November 1994

<sup>60</sup> Boersen Zeitung, 30 September 1994, Page 6

<sup>61</sup> Carpet & Floorcoverings review, july 1994

<sup>62</sup> Kunststoff Information, Vol. 24, No. 1198, 12-8-1994

<sup>63</sup> Le Figaro Monday Supplement, 2 November 1994

specific price points. Rather it believes that continuing investment in ever more efficient, modern production facilities will produce competitively priced products delivering high levels of performance and customer satisfaction.

The group is obviously aware, however, of the need to keep close to the changing needs of its international customer base. For this reason those who run its sales and marketing organisations are 'locals' who appreciate the peculiarities of their own individual markets. However, service is crucial. Massive stocks are held within each manufacturing plant, and considerable quantities of product are also available locally. The needs of large customers are normally best met by delivery direct from the factory: the requirements of smaller accounts by distribution from regional resources.<sup>64</sup>

Sommer Allibert's **FINANCIAL STRATEGY** is based around a concern to cut debt. Net investment and operating costs must be kept lower than cash flow to bring borrowings down from their 1994 level of FFr 2.04bn on shareholders' funds of FFr 3.03bn. The aim is to bring debt ratios down from 67% to 50%, while at the same time bringing shareholders' funds up from 35% of the total balance sheet figure to 40%.

Investment remains heavy at 9% to 10% of turnover (FFr 900m over each of the last three years) and the group is likely to make a call on the market. This is likely to be done through its listed German subsidiary, which will be reorganised at the same time. Auto business will be brought under its control, while it will lose the coverings business it presently manages. The operation will mean Sommer Allibert's stake in the company will fall to 60%, but it is expected to bring in some FFr 300m to FFr 500m.<sup>65</sup>

Foreign business should account for two thirds of Sommer Allibert's turnover by 1995-1996.<sup>66</sup>

### **Internationalisation:**

SOMMER ALLIBERT looks to continue international expansion.

The group is now focusing on North America where there is much scope for expansion. In Asia Sommer Allibert is present in consumer goods and furniture distribution in Hong Kong, Singapore and Australia.

The group's strengths in the automobile business are concentrated in Europe, though it has been expanding into the United States, Asia and Latin America. In Europe, the group has major installations in France, Germany, Britain (supplying Japanese makers), Portugal (supplying the VW-Ford monospace rival to Renault's Espace) and Turkey (supplying Renault). Last year, the bulk of business came from the Renault 19, the Xantia, Golf, Safran, 106, Volvo 850, Escort, AX, Renault 21 and the Ibiza.

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<sup>64</sup> Carpet & Floorcoverings Review, 19 Nov 93

<sup>65</sup> Le Figaro Monday Supplement, 2 November 1994.

<sup>66</sup> Le Figaro Monday Supplement, 11-10-1993

Sommer Allibert has done particularly well in Germany, with major partnerships with Audi-Volkswagen, BMW and Mercedes as well as local subsidiaries of the US manufacturers. Germany is now a crucial part of the group's global strategy, and is seen as the gateway to eastern and central European markets. A factory is soon to be opened in the Czech Republic supplying Skoda from mid 1995.

In the United States, Sommer Allibert is involved in a 50/50 joint venture with Milliken. Turnover is forecast at Dollars 25m 1994 and Dollars 30m in 1995. Another 50/50 joint venture exists with the Japanese group Inoac. Production is expected to begin next year, with initial turnover forecast at Dollars 6m in 1994, rising to Dollars 25m the following year. In Kansas City, Missouri the group has its own plant (investment FF80 million) supplying shields for General Motors' Pontiac and Oldsmobile models. The plant does not generate significant turnover as yet, but forecasts for 1996 are of the order of Dollars 20m. This is the third new facility in the US since 1993; the others are a Dollars 5m cosmetics packaging plant and a Dollars 10m moulding plant. The Missouri plant will have an initial workforce of 100 and is due on line in 1995.

A plant in **Mexico** making door panels and dashboards for the locally produced version of VW's Golf is also promising, but it has in 1994 not yet begun production.

In **China**, there are a number of joint ventures. With First Automotive Works, the country's leading truck producer, Sommer Allibert will supply components for VW's Jetta and Audi 100 models produced in Manchuria. Another consortium is to produce components for VW near Shanghai, while a third pact has been signed with Second Automotive Works at Wuhan.

Further afield, the group is looking to **Indonesia**, where a number of contracts have been signed with the Malaysian car maker, Proton. In Latin America, exploratory talks have been held in **Brazil** and **Argentina** where there is the possibility of contracts with Renault and GM.

With its business built around vinyl and textile floor coverings sectors, Sommer Allibert is now looking to expand internationally, especially into the USA and Asia. In North America, its Canadian vinyls subsidiary, Domco has been buying up a number of companies in the vinyl sector. With Azrock (vinyl tiles for the building industry) and Nafco (upper range vinyl tiles for the decorating industry) both now under its control, the group North America has annual turnover figures of FFr 1.2bn, 1994.

The group has been present in China for the past seven years, with a joint venture in Anshan. A new joint venture, producing carpet tiles for office buildings is november 1994 planned in Shanghai.

Home Furnishings is Sommer Allibert's third main activity. The sector has been undergoing major restructuring to improve distribution and production.

It is expected to return to profitability in 1995, with turnover of over FFr 1bn.

The areas are: bathrooms, furnishings, and medical. International expansion has been slower here, but there is a commercial office in America and bathtubs are to be produced in Anshan in China.

Equipment is less important in terms of turnover (6% to 7%) but the group has been active in the sector for over thirty years, producing a range of containers for industry. In July, 1994 a contract was signed with the Austrian group

Steiner for the production of folding containers for the huge European fruit and vegetables distribution sector.

Outside France, an agreement has been signed with the US company **Contico** in Saint Louis for a joint venture producing US standard palettes and other industrial containers. The project is worth some Dollars 25m. In addition, a joint venture project is also being considered in China for the production of transport containers.

Waste containers make up a small part of the business as yet, but the sector is expected to grow with the development of more specialised forms of urban waste disposal services.

Packaging is the smallest part of the group's business, handled through a company called Pochet. The business is essentially concentrated around perfumes and cosmetics packaging but it follows the shape of the rest of the group, with a small number of activities in America and Asia as well.<sup>67</sup>

The group plans further investment in its Luxembourg plants and wants to make the Grand Duchy its centre for research and development of plastic coverings. Within three years Clervaux should become the headquarters of Sommer Allibert's Luxembourg activities and the group's European logistics centre.<sup>68</sup>

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<sup>67</sup> Boersen Zeitung, 29 April 1994, Page 13.;Plastics News, Vol. 6, No. 21, 29-9-'94; Le Figaro monday Supplement, 11-10-1993 and 2-11-1994

<sup>68</sup> Luxemburger Wort, 30 September 1994, Page 7

## V Financial Performance

### KEY FIGURES 1993

In Million of FF		1993	1992
1991	1990		
Consolidated sales		9,791	9,871
9,529	9,786		
Consolidated net earnings		255.9	207.2
400.4			
Cash Flow		838.7	757.6
841			
Added value per employee		314.4	302.6
300.2			

As we can see the added value per employee increased from 1990 onward, probably resulting from reorganisations and modernization.

### Sales per division in millions of FF, 1993 (1992)<sup>69</sup>

DIVISION	SALES IN FRANCE		SALES INTER-	
NAT. TOTAL				
Automotive	2,203	(2,289)	2,522	(2,217)
4,725				
Floor and Wall	1,435	(1,449)	1,636	(1,724)
3,071				
Home Furnish.	377	( 393)	804	( 919)
1,181				
Equipment	406	( 441)	267	( 301)
673				
Packaging	108	( 118)	33	( 20)
141				

### 1993 sales breakdown by division, percentages:

Automotive Industry	48.2%
Floor and Wall Coverings	31.4%
Home Furnishings	12.1%
Equipment	6.9%
Packaging	1.4%

<sup>69</sup> Annual report 1993, p.17

## 1993 Sales breakdown by Country

France	46.3%
Germany	21.8%
Spain	10.2%
Benelux	6.7%
United Kingdom	4.8%
Scandinavia	2.9%
North America*	2.0%
Others	5.3%

\*excl. Domco and Azrock

### Sommer Allibert Industrie

In 1993, sales generated by the automotive industry Division totalled FF 4,725m, a 0.8% decrease compared with 1992 on a comparable basis. 46.6% of sales were realised in France, 21% in Germany, 17.4 % in Spain, 5.4% in the Benelux, and 5.3% in the UK.

Dashboards generate almost one third of total sales, followed by carpets/mats with 27.4%.<sup>70</sup>

In 1993 **SAI AG** (controlling interests of Sommer Allibert outside France) earned a consolidated net profit of DM 23.7m on sales of DM953.1m.

Sales of SAI AG were for 55.7% realised in Germany, followed by Spain with 29.7%. Of total sales of SAI AG the Automotive Industry Division covered 64.2%, and Floor and Wall Coverings: 23%.<sup>71</sup>

### Sommer

Sales for the Floor and Wall Coverings Division in 1993 were FF 3,071m, 3.2% less than the year before. In France 46.7% of sales were realised, in Germany 24%, and in the Benelux and Scandinavia respectively: 7 and 6.8%. The biggest part of sales, almost 60%, was generated by plastic and linoleam coverings.<sup>72</sup>

### Allibert

The Home Furnishings Division reported total sales of FF 1,181m (1993), down by 6.3% on a comparable basis. About one third of sales was realised in France, and another 30% in Germany. UK accounted for 2.9% of sales, and North America for 6.9%. Sales of the Bathroom segment accounted for 56%, and of the Furniture segment for 41%.<sup>73</sup>

### Allibert equipment

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<sup>70</sup> Annual Report 1993, p.18/19

<sup>71</sup> Annual Report 1993, p.9

<sup>72</sup> Annual Report 1993, p.20/21

<sup>73</sup> Annual Report 1993, p.22/23

In 1993, total sales generated by the Equipment Division -storage and handling and Urban Development segments - were FF 673m, down 9.3% compared with 1992.<sup>74</sup>

### **Qualipac**

Packaging Division sales rose to FF 257m in 1993, but Qualipac is 54.8% consolidated in Sommer Alliberts accounts, and therefore contributes FF141m to total sales of the group. More than three quarters of sales were realised in France, 11% in the US and 6% in the UK. Almost three quarters of sales in this division were accounted for by the luxury perfume market.<sup>75</sup>

Apart from sales in the packaging division sales in all divisions in 1993 went down compared to those of 1992.

Sommer Allibert's 1993 results were affected by the disappearance of reorganisation costs. 1994 was supposed to be a year of consolidation.<sup>76</sup>

### **Financial 1994**

During the first half of 1994 turnover for Sommer Allibert increased 7% to FFr 5452 million. (4.6% on a comparable structure) Net group profits in the first half of 1994 have amounted to FFr 231m, up 43.8%. In view of a likely slowing down of the car industry in the third quarter of, final profits for the year were expected to be up 30% and turnover +5%. The rise in half year turnover was due mainly to increased sales from the Automotive Industry Division (turnover +17.7%), but also to improved productivity and reduced costs. Sales from this division amount to most of the Industrial Products Division sales and half the total activity of the group.

Sommer Allibert Industrie AG of Frankfurt saw its post-tax profit rocket by 128% to DM 23.9m from DM 10.5m in the first half of 1994. Consolidated turnover was up 15.3% to DM 536m (DM 465m). Marc Assa, chairman of the board, considers a 10% to 20% profit improvement and an increased dividend possible in 1995.

Half of Lignotock SA's business is taken into account in the figures, but the company has now (sept.'94) been taken over in full. Comparing like with like, turnover was 8.9% ahead. Consumer goods sales were 12.6% lower.

The investment volume reached DM 32.7m (DM 32.5m) in the first half of the year. Apart from capital investment, Sommer Allibert also rounded off its holdings in the Spanish Lignotock and Garcia to the full 100%.<sup>77</sup>

In other sectors, palettes and waste containers have done well but the Equip-

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<sup>74</sup> Annual Report 1993, p.24/25

<sup>75</sup> Annual Report 1993, p.26/27

<sup>76</sup> Investext, 4-4-1994

<sup>77</sup> Handelsblatt, 19 July 1994, Page 13; Boersen Zeitung, 30 September 1994, Page 6



ment division has only shown a slight improvement.

Packaging, although only 2% of all turnover grew 65.1% in the first half of 1994.

The Floor and Wall Coverings Division has suffered from reduced prices and/or lower consumption.

Foreign trade has increased to 13.2% of total turnover, to FF 2.9bn.<sup>78</sup>

The managing director of the Droitwich-based company **Sommer UK**, Malcolm Taylor, said business in Britain is picking up for the carpet and smooths manufacturer.<sup>79</sup>

Turnover in Spain rose from 8.7% of the company's total to 12.5%, while the French share fell from 49.1% to 46.1%. The industrial production division accounts for 59.6% of sales, of which 50.7% were made to the automotive industry (46.1% in 1993). While floor and wall coatings sales fell 3.8% and sales for building applications fell 7.7%, sales in the automotive market have increased by 17%.<sup>80</sup>

SOMMER ALLIBERT raised its turnover in 1994 to FF 13 billion, with a number of employees of 15,000.<sup>81</sup> However, the author of this report wonders whether this information is correct: considering the fact that turnover was FF 9,791 million in 1993, it is hard to imagine how this could rise so tremendously.

From 1996, the US will represent 7% of consolidated turnover and attention will also be turned to SE Asia. (Plast. Mod. Elastomeres, Vol. 46, No. 9., 20-12-1994)

The group is aiming to realise a turnover of FFr 2bn from N America by 1996.<sup>82</sup>

### Consolidation

Companies wholly owned by Sommer Allibert are fully consolidated. Joint-ventures are consolidated proportionally; and companies over which Sommer Allibert has interests of more than 20% are accounted for by the equity method. Other minor (and trade) investments are not consolidated.(see ANNEX III)<sup>83</sup>

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<sup>78</sup> Plast. Mod. Elastomeres, Vol. 46, No. 9., 20-12-1994; Inf. Chim. Hebdo, No. 1187, 7 October 1994, Page 8

<sup>79</sup> Carpet & Floorcoverings Review, july 1994

<sup>80</sup> European Plastics News, Vol. 21, No. 10, 19-1-1995

<sup>81</sup> Sueddeutsche Zeitung, 20 January 1995, Page 28

<sup>82</sup> Inf. Chim. Hebdo, No. 1187, 7 October 1994, Page 8.

<sup>83</sup> Annual report 1993, p.30

## Investments

From 1989 until 1994 the group has invested 4 billion FF, including FF 914m in 1993. Emphasis in investments were on improving productivity, R&D and innovation. Major projects included the establishment of a door panel production line in Peine, a dye printing plant in Besmer and the expansion of shaped carpet production capacity at Silux.

In januari 1993 for instance, a new system for ink-jet printing of textile covering named Millitron was started-up. This very efficient system was developed at the US Company Milliken, and installed at the Besmer-Sommer plant in Germany.

In the Home furnishings division new models and collections were introduced in 1993: Bridge, Gala, Gaia, Bamboo, Corolia, Novely, Family, Cello and Naxos.

In december 1993 LMA, a subsidiary of Qualipac (packaging) developed the 'Qualitop' bottle cap.<sup>84</sup>

Of the 1993 investments 43.6% went to the automotive industry, Floor and Wall Coverings got 35%, Home Furnishings: 9.5%, Equipment: 8.6%, and a percentage of 3.3 went towards the Packaging division.<sup>85</sup>

The biggest investment by Sommer Allibert in 1994 is the Palmela plant in Portugal: being Esc 10,700.<sup>86</sup>

## Shares:

Capital Ownership at 31-12-1993 was:

SIT: 37%

Sommer family: 5.9%

Banks and public: 57.1%

The share price rose by 77% over the year 1993. The number of shares in 1993 was 2,147,722 (2,145,909), and the net dividend remained FF 33.<sup>87</sup> But increasing dividend is a possibility for 1995.

The Board of Directors proposed in 1993 appropriation of (retained and net) profits as follows: to shareholders as dividend of FF 33 per share with a total of FF 70,874,826; and to be retained in the business FF 605,238,541.<sup>88</sup>

An analyst at NatWest Sellier has forecasted profit growth of 10% to FFr 240m for 1994 and believed the share should have a similar price-earnings multiple to competitor Valeo, which would give Sommer-Allibert a share price of FFr 2,600.

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<sup>84</sup> Boersen Zeitung, 29 April 1994, Page 13.; Annual Report 1993, p.12

<sup>85</sup> Annual Report 1993, p.6

<sup>86</sup> L'Usine Nouvelle, 7 April 1994, Page 32

<sup>87</sup> Annual Report 1993, p.8

<sup>88</sup> Annual Report 1993, p.40

The share ended 18 May's trading up 1.6% at FFr 2,200.<sup>89</sup>

SAI AG is quoted on the Frankfurt Stock exchange. SOMMER ALLIBERT controls 62.5% of the company's share capital, and another 27% of the shares are in the hands of institutional investors, mainly French, Swiss, Luxembourg and Dutch banks and insurance companies. Also, 10% of the shares traded on the regulated market in Frankfurt are widely distributed.<sup>90</sup>

## VI Workforce

### Number of employees 1989-1993, incl. part-time

1989	12,563
1990	12,752
1991	12,464
1992	12,843
1993	12,365 <sup>91</sup>
1994	15,000 <sup>92</sup>

Reacting to a 59.6% drop in net result in 1991 to FFr 161.7m (FFr 400.4m in 1990), the group carried out a restructuring programme which would lead to the loss of 500 jobs in France and Germany in 1992. At the same time investments were to be increased to FFr 1bn in 1992.<sup>93</sup>

The group continues to expand internationally, and increasingly comes into contact with men and women from a variety of backgrounds. Besides this varied background the group concentrates on men and women with strong personal qualities and an international outlook. SOMMER ALLIBERT encourages its employees to learn other languages, and has set up four Language Resource Centres in Wiltz, Mouzon-Sedan, Grenoble and Nanterre, where currently 400 people are learning. SOMMER ALLIBERT has always had a preference for hiring local managers, but while internationalizing growing numbers of French managers are being sent abroad (25 in 1993). In 1993 over 100 new managers of 9 different nationalities joined the group worldwide.

The career-management journal of the group "Evolution" informs about available positions and gives all employees equal opportunity to apply for jobs.

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<sup>89</sup> AGEFI, 19 May 1994, Page 9

<sup>90</sup> Boersen Zeitung, 29 April 1994, Page 13.; Annual Report 1993, p.9

<sup>91</sup> Annual Report 1993, p.6

<sup>92</sup> Sueddeutsche Zeitung, 20 January 1995, Page 28

<sup>93</sup> La Tribune De L'Expansion, 1 April 1992, Page 10

When employees retire they receive an indemnity which varies according to length of service and other criteria, to be found in the collective agreements.<sup>95</sup>

An average number of 7,404 (7,759) people were employed in France in 1993, and 4,961 (5,084) outside France. So the average number of employees in France diminished sharper than that abroad.<sup>96</sup>

### 1993

Workforce by country  
division

Workforce by

France:

59.9% Automotive

Industrie

50.3%

Germany:

15.7% Floor and Wall

Cov. 25.3%

Spain:

12.1% Home Furnis-

hings

14.1%

Benelux:

6.9% Equipment

8.3%

Others:

5.4% Packaging

2.0%

The Sommer-Allibert group has three factories in Luxembourg, at Wiltz, Lentzweiler and Eselborn (near Clervaux). It also has a distribution centre and a central laboratory for R&D and design. It employs 750 people in the Grand Duchy.<sup>97</sup>

In 1993, Sommer-Allibert reduced its German staff by more than 400 to 1,732.<sup>98</sup>

In the carpet and Floorcoverings subsidiary Sedan nine hundred people work a two to three shift system.

According to the gathered information, we found the following numbers of employees per country:

France:

7407 (1993)

Belgium:

109 (?)

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<sup>94</sup> Annual Report 1993, p.14/5

<sup>95</sup> Annual report 1993, p.30

<sup>96</sup> Annual Report 1993, p.33

<sup>97</sup> Luxemburger Wort, 3 June and 24 September 1994, both Page 9

<sup>98</sup> Frankfurter Allgemeine, 29-4-1994

The Netherlands:	41 (1994)
Luxembourg:	750 (1994)
Germany:	1732 (1994)
Spain:	750 (1994)
Portugal:	660 (1993)
UK	250 (1990)
Italy:	69 (1994)
Denmark:	25 (1993)
Sweden:	32 (1989)
Norway:	33 (1994)

Figures unknown of: Switzerland; Greece; and Austria.

All together this amounts up to an estimated workforce of around 11 thousand people, while the number of employees in 1993 was: 12,365 according to the company's annual report. Since the information on numbers of employees per country is brought together by the author of this report from different sources of information, and the available data concern different years, the total amount can only be roughly estimated. This list however does give an idea of how the employees are divided over the different European countries.

## VII Environment

At Group level an environment committee has been formed, in order to coordinate environmental protection activities, to conduct audits and set objectives. The committee's first task was to draw up an internal policy to raise awareness of the cost of waste, and encourage re-use.

In march 1993 a 28.4% stake was acquired in Recyclen Europe, then renamed in **Recyplast Europe**. The Group is preparing a plastics recycling centre for the entire company.<sup>99</sup>

Low-pollution coatings and processes to be used in the Pounds 20 million automobile parts manufacturing Kansas City, Mo. facility led to approval of environmental air permits in just six weeks, which is exceptionally fast. The plant will supply plastic bumpers to two General Motors plants.

To meet its deadline, the company implemented pollution prevention controls to ensure that the Environmental Protection Agency would not consider the facility a major stationary source of pollution. (Any facility emitting 250 or more tons per year of any pollutant is considered a major stationary source.) Major stationary sources must undergo 'prevention of significant deterioration' reviews, which take six months to a year, not including preparation time.

The company accomplished its task and met the deadline by using paints lower in volatile organic compounds, building the plant to accommodate a switch to waterborne paints in the future, and implementing process modifications to ensure high transfer efficiency of paint and less waste during continuous

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<sup>99</sup> Annual Report 1993, p.28

-spray operations.<sup>100</sup>

Sommer Allibert is participating in Eureka through the Carpet recycling project, aiming at recycling used carpeting as carpet backing or material for plastic injection. Studies for more recycling are underway.<sup>101</sup>

Sommer began recycling pvc in 1966. Three years ago, it put in a second line and now produces 12,000 tons of reclaimed pvc a year, making it the largest pvc scrap re-cycling plant in Europe.

'Scraps' arrive from shoe factories, furniture manufacturers, hardware producers, in fact any company which uses pvc. The 'scraps' are cut into small pieces, put through a heated 'screw' to produce a paste, and then extruded before being chopped up ready for re-use.<sup>102</sup> All Sommer plants, as was already stated, work to ISO 9000 quality standards.<sup>103</sup>

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<sup>100</sup> Environmental Solutions Predicasts, nov. 94

<sup>101</sup> Annual report 1993, p.28

<sup>102</sup> Carpet & Floorcoverings Review, 19 nov. 1993

<sup>103</sup> Carpet & Floorcoverings Review, 19-11-1993

## ANNEX I LIST OF ADDRESSES

### France:

Allibert Habitat  
20, bd.du Parc  
92200 Neuilly-Sur-Seine

tel.: (1) 46404040  
fax.: (1) 46373574

number of empl.: ?

Sommer-Allibert  
see above

fax.: 46370559

number of empl.: 56 (1992)

Sommer S.A.  
4, rue Benjamin Constant  
92521 Neuilly-Sur-Seine Cedex

tel.: (1) 46404040  
fax.: (1) 46373574

number of empl.: 1783 (1992)

Priminter s.a.  
26-28, rue Ledru Rollin  
92150 Suresnes

tel.: (1) 47280698  
fax.: (1) 45064726

number of empl.: 18 (1992)

L.M.A.  
(Le Moulage Automatique)  
Z.I., Avenue de l'Europe  
02407 Chateau-Thierry cedex

tel.: 23831672  
fax.: 23690646

number of employees: 52 (1992)

Sommer Industrie  
Zone industrielle B.P.13  
08210 Mouzon

tel.: 24261593/24261010  
fax.: 24261665/24261912

number of empl.: 187 + 330

Sommer S.A.  
Ave. Leon Charpentier  
B.P.333  
08203 Sedan Cedex

tel.: 24298383  
fax.: 24298300

number of empl.: 900 (1993)

Technoplast  
Route de Saint Germain Rosieres B.P. 13  
10430 Rosieres pres Troyes

tel.: 25492961  
fax.: 25753969

number of empl.: 89 (1992)

Auriplast  
Chemin du Bousquet B.P 227  
15000 Aurillac

tel.: 71645783  
fax.: 71649061

number of empl.: 210 (1992)

Sommer Industrie  
12, rue Cocherel,  
Z.I. N 1 27000  
Evreux

tel.: 32336202  
fax.: 32316180

number of empl.: 111 (1992)



Allibert Manutention  
route de la Garenne Z.I.N 1  
B.P. 24,  
27600 Gaillon

tel.: 32530815  
fax.: 32532403

number of employees: 614 (1992)

Allibert Industrie  
129, Avenue Leon Blum B.P. 184 X  
38042 Grenoble cedex 9

tel.: 76228242  
fax.: 76404405

number of empl.: 500 - 999 (1992)

Allibert industries  
see above

number of employees: 610 (1992)

Allibert S.A.  
rue Seraphin  
38430 Moirans

tel.: 76354006  
fax.: 76356867

number of empl.: 70 (1992)

Allibert S.A.  
route de Pomtoise B.P. 69  
60111 Meru Cedex

tel.: 44220248  
fax.: 44220535

number of empl.: 900 (1992)

Allibert Industries  
Bd. de Malling  
62260 Auchel

tel.: 21270765

fax.: 21664434

number of empl.:550 (1992)

Allibert Industries

rue de la Fosse B.P. 10  
62540 Marles-Les-Mines

tel.: 21530888

fax.: 21524706

number of empl.: 240 (1992)

Allibert S.A.

38350 La mure d'isere  
Saint-Honore

tel.: 76810631

number of empl.: 270 (1992)

Sommer Industrie

30, rue de l'industrie  
67390 Marckolsheim

tel.: 88925139

fax.: 88749590

number of empl.: 160 + 650 (1992)

**Spain:**

Sommer Allibert Industrie

Ctra. Fuenlabrada a Pinto,  
km. 17,400  
28947 Fuenlabrada (Madrid)

tel.: (34) 16901630

fax.: (34) 16976770

number of empl.:134 (1994)

Allibert Industria S.A.

Poligono Industrial de las Mercedes  
C/Campezo, 4  
28022 Madrid

tel.: (34) 1-7471666  
fax.: (34) 1-3293701

number of empl.: 342 (1994)

Lignotock S.A.

Ctra. Nal. III Madrid Valencia  
km.332,1 - Apartado Correos 70  
46930 Quart de Poblet  
Valencia

tel.: (34) 6-196 00 00  
fax.: (34) 6-196 00 67

number of empl.: 150 (1994)

Sommer S.A./Baladecor S.A.

Av. Llano Castellano, 13 - 4 Floor  
28034 madrid

tel.: (34) 13580035  
fax.: (34) 13580619

number of empl.: 123 (1994)

**Germany:**

Triangler Dämmstoffwerk GmbH

Postfach 51  
D-38522 Sassenburg

tel.: 05371 686-0  
fax.: 05371 686-208

number of empl.: 950 (93/94)

Allibert Industrie GmbH

Lehmkuhlenweg 81  
D-31224 Peine

tel.: 05171 7002-0  
fax.: 05171 7002-20

number of empl.: 50 (93/94)

Allibert GmbH  
Friesstrasse 26, Postfach 610142  
D-60388 Frankfurt/M

tel.: 069 4108-0  
fax.: 069 4108289

number of empl.: 235 (1992)

Besmer Sommer Bodenbeläge GmbH  
Süntelstrasse 5  
Postfach 101321  
D-31763 Hameln

tel.: 05151 781-0  
fax: 05151 781-145

number of empl.: 600 (incl. subs) (93/94)

**United kingdom:**

Sommer Allibert UK Ltd.  
Berry Hill Industrial estate, Droitwich,  
Worcestershire, WR9 9AP

tel.: 0905 795796  
fax.: 0905 794454

number of empl.: 250 (1990)

Allibert Industrie UK  
Commom Lane  
Fradley Business Park  
Fradley, Lichfield

tel.: 44 543444428  
fax.: 44 543444434

number of empl.: 283 (1991)

**Portugal:**

Prindil Produtos Internacionais S.A.  
PT- 1700 Lisboa  
Rua Luís Pastor de Macedo  
Lote 14 Loja

tel.: 01 7586665  
fax.: +01 7596945

number of empl.: 17 (1993)

Sommer Allibert Palmela (?)  
?

number of empl.: 660 (1993)

## Italy

Allibert SpA  
13040 Candelo (vc)  
Str. Provinciale Torino Svizzera

tel.: 0161/971310  
fax.: 0161/971240

number of empl.: 20 - 49 (1994)

Sommer  
Colpani Srl  
24040 Casirate D'Adda (BG)  
Via Passerero 1

tel.: 0363 326666  
fax.: 0363 326700

number of empl.: ?

## Belgium:

Sommer S.A.  
Boulevard de la revision 24 BTE1  
1070 Brussels

tel.: 02/5200467  
fax.: 02/5200588

number of empl.: 31 (1993)

Allibert S.A.  
Rue du commerce 8 Zoning industriel  
1400 Nivelles

tel.: 067/210900  
fax.: 067/221020

number of empl.: 768 (1993)

### **Switzerland:**

Sommer (Suisse) S.A.  
Weidenstrasse 4  
CH-4147 Aesch BL, Postfach

tel.: 061 783535  
fax.: 061 783170

number of empl.: ?

Allibert (schweiz) AG  
see above

tel.: 061 783601

number of empl.: ?

### **The Netherlands:**

Sommer Nederland B.V.  
Vlaszak 12  
4811 GR Breda

tel.: 076-228561  
fax.: 076-220792

number of empl.: 12 (1994)

Allibert Nederland B.V.  
Diamantlaan 25  
2132 WV Hoofddorp

tel.: 02503-33944  
fax.: 02503-11417

number of empl.: 29 (1994)

**Denmark:**

Meltex-Sommer A/S

DK-2635 Ishoj

Baldershoj 22

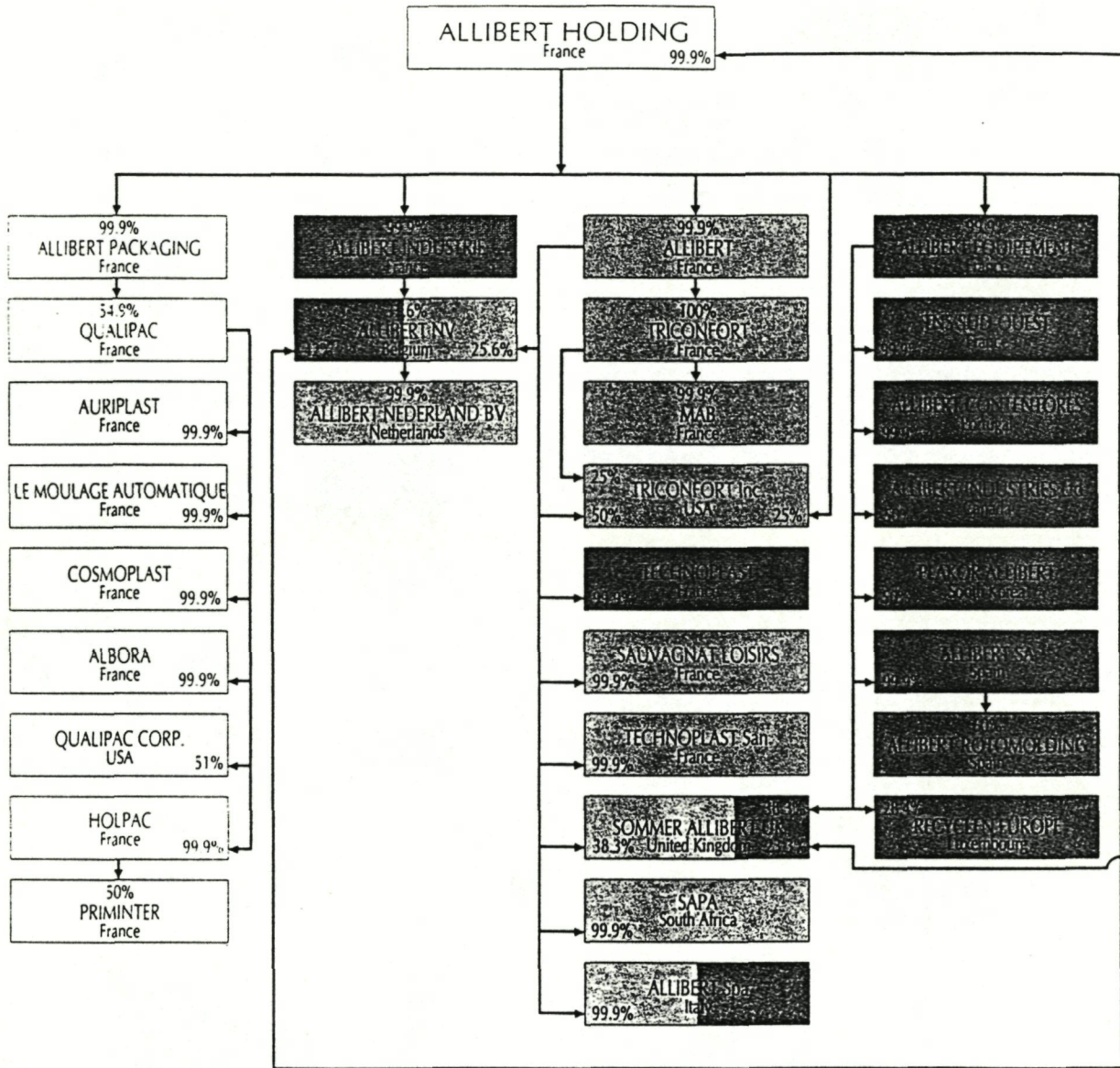
tel.: 42998444

fax.: 42991142

number of empl.: 25 (92/93)

ANNEX II

SOMMER ALLI



- Holdings
- Automotive Industry
- Floor and Wall Coverings
- Home Furnishings
- Storage and Handling
- Packaging



LLIBERT

SOMMER HOLDING  
France

99.9%

SOMMER ALLIBERT INT. NV  
Netherlands

38.1%

61.9%

SOMMER ALLIBERT INDUSTRIE AG  
Germany

62.5%

SOMMER INDUSTRIE  
France

99.9%  
SOMMER  
France

99.9%  
SETEPP  
France

99.9%  
ARVIAL  
France

99.9%  
DFA  
France

99.9%  
SOMMER SA  
Luxembourg

99.8%  
COMEREV  
France

99.9%  
SOMMER REVETEMENTS  
Luxembourg

99.9%  
REMAR  
France

99.9%  
SOMMER ASIA PACIFIC  
Hong Kong

97%  
SOMMER Suisse SA  
Switzerland

100%  
SOMMER AS  
Norway

65%  
SOMMER LEVASSEUR  
France

100%  
SOMMER AB  
Sweden

99.9%  
SOMMER AUSTRALIA Pty  
Australia

99.8%  
BESMER-SOMMER  
Austria

100%  
SOMMER SA  
Spain

100%  
SOMMER OY AB  
Finland

100%  
BALADECOR SA  
Spain

100%  
SOMMER NEDERLAND BV  
Netherlands

50%  
MELTEX-SOMMER A/S  
Denmark

99.9%  
SOMMER SPA  
Italy

99.9%  
SOMMER NV  
Belgium

49%  
SOMMER LTD  
Thailand

50%  
PRINDIL-SOMMER  
Portugal

100%  
MERALI BV  
Netherlands

100%  
BERTSOM BV  
Netherlands

SOMMER ALLIBERT INDUSTRIE  
France

5%  
CANADA Inc.  
Canada

95%

SOMMER ALLIBERT INDUSTRIE  
France

28.2%  
DOMCO Ltd  
Canada

SOMMER ALLIBERT INDUSTRIE  
France

100%  
AZROCK  
USA

SOMMER ALLIBERT INDUSTRIE  
France

ANSOM DECOR  
P.R. China

33.3%

SOMMER ALLIBERT INDUSTRIE  
France

COMPAGNIE DE  
FRANCOIS-BEL ALIDA  
Spain

50%

SOMMER ALLIBERT INDUSTRIE  
France

FRANCO-SOMMER SpA  
Italy

51%

ALLIBERT DONGENSE  
Spain

DONGSOCK  
Spain

75%

ALLIBERT INDUSTRIA  
Spain

SA  
Spain

49.8%

ALLIBERT SOMMER  
Spain

POBRES SOMMER  
Italy

75%

SOMMER ALLIBERT US Inc.  
USA

SOMMER ALLIBERT IONE  
WEST VIRGINIA CO INC  
Germany

51%

ALLIBERT INDIA INC  
USA

SOMMER ALLIB IND. BETHL  
Germany

100%

ALLIBERT INDUSTRIE GmbH  
Germany

FRANZOSER DAMMS GmbH  
Germany

100%

BALADECOR GmbH  
Germany

VEREINIGTE WOLLAWARES  
GmbH  
Germany

100%

SOMMER ALLIBERT  
WEST VIRGINIA CO GmbH  
Germany

BESMER SOMMER  
Germany

57.6%

SOMMER INDUSTRIE  
Germany

BESMER CARPETS  
United Kingdom

100%

ALLIBERT GmbH  
Germany

65%

## ANNEX III

## Scope of consolidation

FRENCH SUBSIDIARIES	% of interest		Method of consolidation*
Albora (Grenoble) .....	54.87		P
Allibert Holding (Grenoble) .....	99.99	F	
Allibert (Nanterre) .....	99.99	F	
Allibert Industrie (Grenoble) .....	99.99	F	
Allibert Equipement (Nanterre) .....	99.99	F	
Allibert Packaging (Nanterre) .....	99.99	F	
Arvial (Limoges) .....	99.95	F	
Auriplast (Aurillac) .....	54.87		P
Cosmoplast (Annecy) .....	54.87		P
DFA (Gennevilliers) .....	99.99	F	
Technoplast Sanitaire (Rosières prés Troyes) .....	99.99	F	
LMA (Château-Thierry) .....	54.87		P
MAB (Nanterre) .....	99.99	F	
Olnac (Nanterre) .....	50.18	F	
Qualipac (Paris) .....	54.87		P
Sauvagnat Loisirs (Aurillac) .....	99.99	F	
Seditep (Nanterre) .....	99.99	F	
Sommer Holding (Nanterre) .....	99.96	F	
Sommer (Nanterre) .....	99.99	F	
Sommer Industrie (Marckolsheim) .....	99.99	F	
Technoplast (Rosières prés Troyes) .....	99.99	F	
Triconfort (Nanterre) .....	100.00	F	
Vouric (Nanterre) .....	75.03	F	
Setepp (Nanterre) .....	99.99	F	
Sommer Levasseur (Nanterre) .....	64.99	F	
<b>INTERNATIONAL SUBSIDIARIES</b>			
Sommer Allibert Industrie AG (Germany) .....	62.51	F	
Sommer Allibert Vertriebsg. Gmbh (Germany) .....	100.00	F	
Sommer Allibert Lignotock V.mbH (Germany) .....	50.00		P
Allibert GmbH (Germany) .....	100.00	F	
Allibert Industrie GmbH (Germany) .....	100.00	F	
Baladecor GmbH (Germany) .....	99.91	F	
S.A.I.B. Gmbh (Germany) .....	100.00	F	
Besmer Sommer Bodenbel. GmbH (Germany) .....	100.00	F	
Triangel Damstoffwerk GmbH (Germany) .....	100.00	F	
Vereinigte Wollwarenf. GmbH (Germany) .....	100.00	F	
Sommer Australia Pty (Australia) .....	99.99	F	
Allibert NV (Belgium) .....	99.56	F	
Sommer NV (Belgium) .....	100.00	F	
Domco Industries Ltd (Canada) .....	28.27		E
140019 Canada Inc. (Canada) .....	100.00	F	
Meltex Sommer AS (Denmark) .....	50.00		P
Allibert SA (Spain) .....	100.00	F	
Allibert Orense (Spain) .....	100.00	F	
Baladecor SA (Spain) .....	100.00	F	
Manufacturados Garcia (Spain) .....	89.09	F	
Gunasa (Spain) .....	87.25	F	
Componentes de Vehiculos de Galicia (Spain) .....	50.00		P
Allibert Industria (Spain) .....	100.00	F	
Lignotock (Spain) .....	75.00	F	
Moltex (Spain) .....	96.23	F	
Sommer SA (Spain) .....	100.00	F	
Garcia Zaragosa (Spain) .....	100.00	F	
Triconfort Inc. (USA) .....	100.00	F	
Milliken Sommer (USA) .....	50.00		P
Sommer Allibert US (USA) .....	100.00	F	
Sommer OY AB (Finland) .....	100.00	F	
Sommer-Allibert UK (Great Britain) .....	100.00	F	
Sommer Allibert Industrie UK (Great Britain) .....	100.00	F	
Sommer Ltd (Hong Kong) .....	99.99	F	
Allibert Spa (Italy) .....	100.00	F	
Fimit Sommer Spa (Italy) .....	50.00		P
Plaster (Italy) .....	100.00	F	
Sommer Spa (Italy) .....	100.00	F	
Somalré (Luxembourg) .....	100.00	F	
Sommer Revêtements Luxembourg SA (Luxembourg) .....	100.00	F	
Sommer SA (Luxembourg) .....	100.00	F	
Sommer Industrie Luxembourg (Silux) (Luxembourg) .....	100.00	F	
Recyclen Europe (Luxembourg) .....	28.38		E
Sommer AS (Norway) .....	100.00	F	
Allibert Nederland N.V. (The Netherlands) .....	100.00	F	
Sommer-Allibert International (The Netherlands) .....	100.00	F	
Bertsom (The Netherlands) .....	100.00	F	
Merali (The Netherlands) .....	100.00	F	
Sommer Allibert Industrie (Portugal) .....	99.99	F	
Sommer AB (Sweden) .....	100.00	F	

\* F: full consolidation P: proportional consolidation E: equity method