

>> NEWS ANALYSIS

THE ROUGH STUFF SELLS

With Q2 comps down, Home Depot and Lowe's look to rough plumbing sales

By KATE FAZZINI

The second-quarter performances at both Home Depot and Lowe's followed some similar themes this summer, as consumers were driven to update their rough plumbing and HVAC systems, or spruce up outdoor spaces with small, affordable projects. Other than that, the numbers showed consumers weren't driven to do much else.

At Lowe's, rough plumbing was one of only two categories that saw positive comparable-store sales in the quarter. The category was driven by strength in air filtration products, pumps, tanks, water treatment products and HVAC controls. Somewhat disheartening in the midst of this bright spot for sales, Lowe's president and COO Larry Stone noted that the gains in rough plumbing were in part due to price inflation in copper and resin products.

By contrast to the relative success of rough plumbing items, fashion plumbing products were counted as one of the weakest sellers in the summer season. Joining this category were kitchen cabinets and countertops, two "big ticket" categories that have seen housing market-related weakness for the past year.

As one of the two categories that saw positive comp-store sales at Lowe's, lawn and garden also showed strength, in large part because of good weather in parts of the country.

(See *Financial*, page 31)



Topping the Charts

For the first time, Ace Hardware holds the No. 1 spot on the HCN Top 150 Distributors list.

After accounting errors led to discord in 2007, the Oak Brook, Ill.-based co-op is singing an optimistic tune that includes brand building, supply chain transformation and an effort to grow in key markets. A playlist of national and local strategies begins on page 15.

Barr Lumber expands its Inland Empire

By BRAE CANLEN

Few areas of the country have suffered more from the building downturn than Southern California. Particularly hard hit are the inland communities — commonly referred to as the "Inland Empire"



— once the epicenter of new housing developments and now ground zero for bank foreclosures and home repossessions.

Barr Lumber, a chain of six
(See *Barr*, page 34)

NEW TRENDS, NEW CONSUMERS FORECAST FOR SHANGHAI SHOW

By KATE FAZZINI

The China International Hardware Show will get underway on Sept. 17, kicking off at a time when many American home channel retailers and manufacturers are stepping up their plans to add foreign-sourced goods to remain competitive.

Exhibitor attendance has grown steadily in the show's past six years, according to organizers, rising from 700 exhibitors in 2002, to 1,420 in 2005 and to 1,821 last year. This year's show is slated to include around 2,000 exhibitors. Buyers from Home Depot, Kingfisher, Ace Hardware, LG Sourcing and a host of other

(See *China*, page 30)



OVERSEAS TURNOUT Booth attendance at this year's China International Hardware Show has risen to around 2,000 from approximately 1,800 at last year's show, pictured here.



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GAME TIME
AT WALMART

TOUCHDOWN!
Walmart's play

The company converts 1,700 Garden Centers into Game Time Headquarters. PAGE 3



PRO DEALER EVENT
Industry Summit

Home Channel News and the NLBMDA will host the event Oct. 1 to 3. PAGE 18