

Armstrong acquires Titusville HomerWood flooring plant

By KAREN CLARK

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TITUSVILLE - A nationally recognized flooring manufacturer has purchased the operations at HomerWood and will begin expansion efforts immediately.

Armstrong World Industries Inc., the operating subsidiary of Armstrong Holdings Inc., announced Wednesday the acquisition of HomerWood, a move Armstrong says increases manufacturing capacity and broadens the product portfolio of its hardwood flooring business.

Details about the purchase price weren't provided.

Headquartered in Lancaster, Armstrong operates 41 plants in 12 countries and employs more than 15,000 worldwide, making it a global leader in the design and manufacture of floors, ceilings and cabinets.

"As of today, we are all Armstrong employees. They are going to run HomerWood as a totally separate operating division," HomerWood president Doug Bolton said Wednesday. "I will remain the president and all other employees will keep their jobs, so nobody is going anywhere. To us, it's just a new day the same as yesterday."

The acquisition of HomerWood will expand Armstrong's premium solid wood product offerings to include rapidly growing wide width and hand-scraped products.

"These transactions are part of our program to grow Armstrong's flooring business in North America. The investments will reduce our product cost, increase our manufacturing capacity in engineered wood, and significantly expand our portfolio of premium solid wood products," said Frank Ready, the president and CEO of Armstrong Flooring Products Americas.

Armstrong has instructed Bolton to continue operations as usual at the location in the city's industrial park.

"They love our product, our quality and reputation in the marketplace. They are going to be able to multiply it so much faster than we can. Their goal is to run two shifts by the end of the year," Bolton said.

Eighty to 84 employees now combine to run one shift and staff the office and sales force. No figures were given for the increase in numbers, but it will

be significant when a second shift is added, Bolton said.

"Armstrong is huge. They have a lot of skills and know-how they will be able to share with us. The reason they are not merging with the other corporations is that we are at the high end of the spectrum (with flooring) and they don't want to dilute that," Bolton said.

HomerWood is a manufacturer of high quality hardwood plank flooring, both unfinished and pre-finished. Its hardwood flooring is found in a variety of homes and buildings, including vacation homes, luxurious custom designed homes, office complexes and retail stores.

"We do very high end work here. We just got finished doing Arnold Palmer's house and that's the type of work they are after," Bolton said.

Even the name will remain nearly the same. Armstrong's newest company will be known in the marketplace as Homerwood Hardwood Flooring.

"I think the fact they want to expand a flooring company in Titusville is fantastic," Bolton said. "You couldn't do what we do here in a huge plant. Their operations run 90 percent red and white oak where we run hickory, walnut and cherry - what their plants don't run. We hand scrape products by hand, not a machine. They want to leave it like it is and get more people to see it as an option for flooring."

HomerWood has been part of the Titusville community for more than 20 years, enjoying double-digit growth over the past several years.

Armstrong's investment in Titusville is part of a three-pronged program designed to increase investments. The two others include the acquisition of Capella Engineered Wood LLC, which adds to Armstrong's U.S. manufacturing capacity and adds another brand to the wood portfolio; and a manufacturing joint venture in China that also will increase manufacturing capacity for engineered wood.

"It will be nice to work with someone that's got the marketing expertise. There's only so much you can do yourself," Bolton said.

Armstrong's net sales totaled more than \$3 billion in 2005.