



THE MARKET

As the housing market continues to grow, the outlook for residential remodeling and new construction remains bright. Bathrooms and kitchens are improving with stylish, sophisticated products that are helping to elevate the plumbing industry. In addition to expecting a high degree of function and durability, consumers also want coordinated looks that convey their personal style. Whether traditional or contemporary, they want design consistency throughout their home. From coordinated suites in the bath to innovative new finishes that work with kitchen appliances and hardware trends, in many ways, the plumbing industry has become a fashion industry.

Consumers are relying on companies like Delta® to go the extra mile with new designs and innovations, extensive promotions, impeccable service, and competitive pricing to meet their needs. With a large number of new product launches, Delta expects to make 2004 another record year.

ACHIEVEMENTS

Delta is the number-one faucet brand in America, and has worked hard to get there. As it celebrates its 50th anniversary in 2004, the company is proud of a long list of industry firsts. In addition to introducing the first successful washerless ball valve faucet, it was the first faucet company to develop affordable, decorative faucets by adding a high-arc spout. Delta was also first to offer a domestically produced kitchen pull-out spray and faucets with an anti-tarnish PVD (Physical Vapor Deposition) finish, called Brilliance®. By listening closely to what consumers want and need, investing in extensive research and design, and rigorously testing every product to the highest standards, Delta consistently delivers superior-quality products.

HISTORY

The story of how Delta Faucet Company grew to become the largest, most influential faucet company in its industry demonstrates where true American spirit, values, and determination can take a company.

In the early 1920s, an entrepreneurial Armenian immigrant named Alex Manoogian came to the United States to escape a life of persecution in



Turkey. He settled in Detroit with nothing more than a suitcase and \$50. Driven by determination to succeed and to provide his family with a better life, he worked hard at various general labor and machinist jobs until he had enough money to buy a screw machine. Eventually, he invested in more equipment and in 1928 Manoogian and two partners founded the Masco Screw Products Company. The company grew – even through the Great Depression — and by the mid-1930s, Masco’s annual sales exceeded \$1 million.

Manoogian was always on the lookout for new product ideas. In the early 1950s, an inventor from California brought Manoogian what, at the time,



was considered an oddity: a single-handle faucet. The invention featured a ball valve that combined volume control with the mixing of hot and cold water. Though the inventor’s design leaked, it was easy to operate and repair. Manoogian saw the bigger idea behind it and bought the inventor’s rights. He improved the design, and in 1954 he introduced the first successful washerless ball valve faucet: the Delta faucet, named for the faucet cam shaped like the fourth letter of the Greek alphabet. Because it had no washers to replace, and didn’t leak or drip, it was a true breakthrough.

Manoogian initially tried to sell the design to established plumbing businesses, but when they scoffed at his invention, he started selling the faucets himself. Word spread, and Delta faucets gained popularity with plumbers and plumbing wholesalers. In the late 1950s, Manoogian moved the company to Greensburg, Indiana, where he founded the Delta Faucet Company. The rest is history.

Over the last half-century, Delta has continuously introduced a tremendous range of faucets, products, and accessories. Today, the company

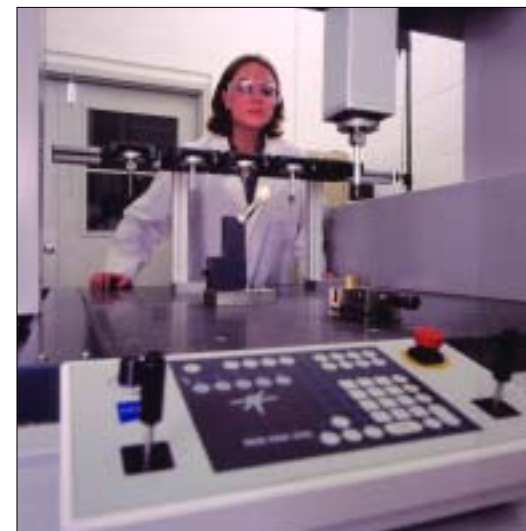


sells more than a million faucets a month and has manufacturing facilities in six locations around the world.

THE PRODUCT

Delta Faucet Company’s commitment to producing outstanding faucets shines through in its full line of residential and commercial products. Available in an extensive range of finish and handle options, all Delta faucets are guaranteed to stand up to everyday life — for life. With experts and designers working with Delta to carefully monitor trends in kitchen and bath design and home décor, consumers can be confident the faucet they choose will complement their home’s style.

The kitchen reigns as the busiest room in the house, so Delta offers kitchen faucets and accessories durable enough to endure the demands of cooking, cleaning, and entertaining. Consumers can choose from many style and finish combinations that coordinate with the look of their



kitchen. The Waterfall® and Signature® pull-out faucets are popular designs, offering the convenience of a pull-out wand that easily reaches outside the sink to water plants or fill pots on the stove. Another favorite for the kitchen, the Victorian™ Collection offers old-world charm and the one-of-a-kind Venetian Bronze™ finish for a graceful addition to any kitchen. New in 2004, The Michael Graves Collection™ offers an architecturally inspired approach to kitchen design with coordinating kitchen products.

No longer simply a functional room, the bathroom for many consumers is a sanctuary — a stress-free space where they can relax and escape a hectic schedule. To help consumers create a welcoming oasis, Delta offers a range of faucet styles and



matching accessories for the bath. From the Jetted Shower™ System, featuring up to four jets that offer an exhilarating shower experience, to the new Michael Graves Roman Tub faucet that invites long, relaxing soaks, Delta faucets help to create a tranquil bath experience.

Delta faucets are subjected to rigorous durability testing. Handles are turned on and off 500,000 times to ensure leak-proof performance for years. Before any faucet leaves the plant, it is air- and water-tested by hand and must survive the scrutiny of over 100 other hand inspections.

Delta faucets are made even more durable by the remarkable anti-tarnish finish called Brilliance. Created through a patented, state-of-the-art manufacturing process — Physical Vapor Deposition (PVD) — Brilliance finishes last no matter how much they’re scrubbed, even with steel wool. Available in a myriad of finishes, the beautiful luster consumers see when the faucet comes out of the box will stay just as beautiful for life.

RECENT DEVELOPMENTS

Research and innovation have always been hallmarks of Delta Faucet Company. In 2004 Delta teamed up with award-winning architect and product designer Michael Graves to create a light-hearted collection of coordinating kitchen and bath products, including faucets, bath accessories, and lighting (available from Progress Lighting at progresslighting.com).

The Michael Graves Collection™ offers affordable products that evoke emotion through high-end styling. Featuring innovations such as an exclusive pivoting aerator in the kitchen and frosted glass handles in the bath, the collection was designed with a fresh spin on how faucets fit into the home. They are not only beautiful, but also provide the steadfast durability consumers expect from a Delta faucet.

The Michael Graves Collection features the latest Delta finish, Matte Chrome. Also available on the Botanical™ Bath Collection, this finish picks up on an emerging trend from Europe and offers design-conscious homeowners an affordable, aluminum-like look. It coordinates well with popular appliance finishes and decorative accents. Consumers will also enjoy several other new Delta finishes, including Matte Black, Brilliance Stainless and Brilliance® Polished Nickel, now available on the Victorian™ Bath Collection.

PROMOTION

Delta’s 2003–2004 television and print campaign targets home enhancers and trade professionals and works to inspire confidence in Delta. These ads focus on the innovations of Delta products and a sweepstakes inspired by the company’s 50th anniversary. Strong cross-promotions with retailers also help to strengthen the Delta name among home enthusiasts and do-it-yourselfers.



In addition to strong traditional marketing efforts, the company’s Web site, www.deltafaucet.com, is a user-friendly, informative place where consumers and trade professionals can learn more about Delta. Visitors can build their own faucet from tens of thousands of options, get remodeling advice, and locate a retailer/wholesaler in their area.

BRAND VALUES

Delta Faucet Company presents its brand as dependable and trustworthy with a deep passion for its craft. The company prides itself on design leadership and superior craftsmanship that form a commitment to manufacture faucets that are as durable as they are beautiful, values expressed in the tagline “Beautifully Engineered™.” And the Delta lifetime limited warranty backs this claim by guaranteeing the company will replace parts for the life of the product. For these reasons, Delta Faucet Company believes its customers will be confident that when they buy a Delta, they’re making the right choice.

THINGS YOU DIDN’T KNOW ABOUT DELTA

- Founder Alex Manoogian began humbly, selling the first faucets out of the trunk of his car.
- Although Delta is now the largest faucet manufacturer in the United States, the company almost never came to be. Manoogian offered his design to several major faucet companies, and none of them wanted it. When he decided to make it himself, Delta Faucet Company was born.
- Delta was the first faucet company to advertise on television, back in the early 1970s.
- Also in the 1970s, Delta introduced a line of faucets called Deltique®. Their surfaces featured sculpted designs of flowers and foliage.