Hornby Int



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Taking Hornby model railways around the globe

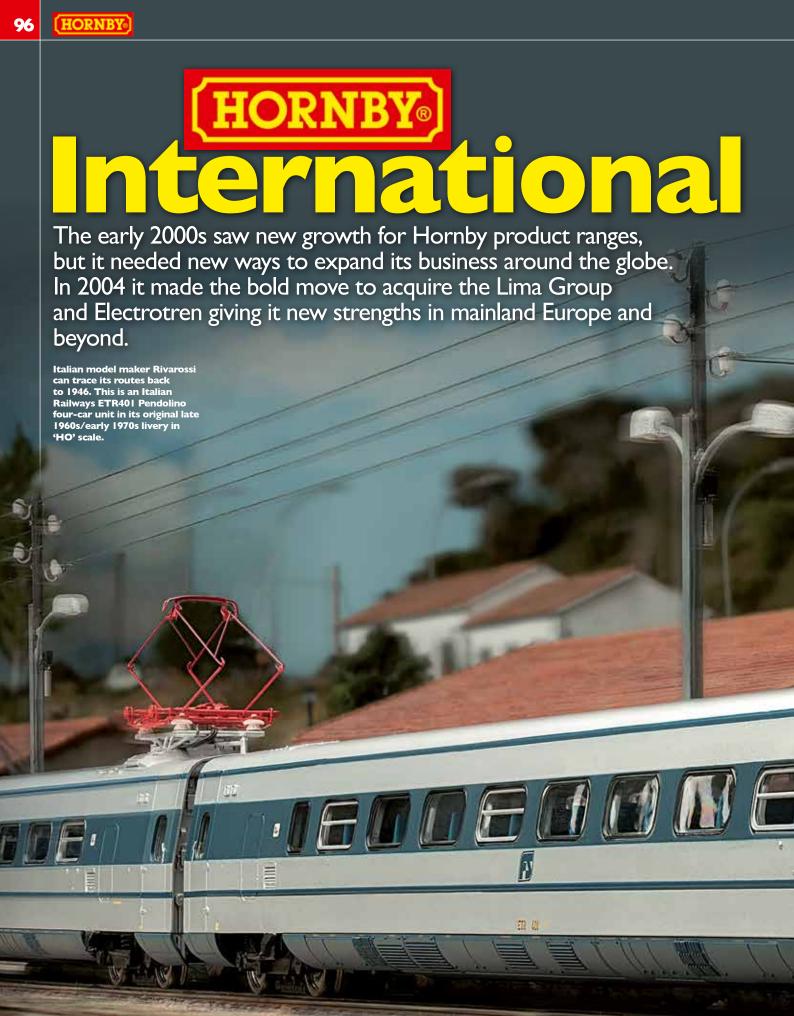






Electrotren





HE DAWN of the 21st century was an exciting time for Hornby Hobbies. The move to manufacturing in China brought an instant increase in the quality of its products for the Hornby and Scalextric brands while the customers were reaping the benefits of a lower price point for a level of detail which was second to none and better than anything that had gone before in mass produced for the home market.

Growth in sales was as rapid as development and each new model brought new enhancements and customers to its brands as Hornby delivered at a level which UK manufacturing couldn't provide. However, it wasn't all roses as during the first decade of the 2000s the rapid growth began to level off

with the natural question being how to make the business grow again with just two brands forming it main business. Moreover, the railway business was focused on a single domestic scale and it would be a major challenge to step beyond this anew.

In 2003 the Lima Group faced bankruptcy as it was finding it difficult to compete where others had moved production to China. Lima's operation included Italian 'HO' scale manufacturer Rivarossi, Arnold's German 'N' and 'TT' scale ranges as well as Jouef from France modelling 'HO' scale railway products covering a broad spectrum of products from across Europe and beyond.

The chance to obtain the Lima Group, and

The chance to obtain the Lima Group, and subsequently Spanish manufacturer Electrotren, gave Hornby a new position of strength with established brand names which could be

expanded and developed. It also gave Hornby new scales to work with and as it didn't have any 'N', 'TT' or 'HO' scale products in its collection and it was one of the only investors which could buy the Lima Group and make use of all of the tooling maximising their return. Lima also had a large collection of 'OO' gauge British outline models which have been rereleased under Hornby (see pages xx-xx).

The purchase of Lima and its associated companies was completed in December 2004 for EUR 8-million while Electrotren became part of the Hornby empire the same year for £5.3million.

Now Hornby has a global operation covering model subjects from across Germany, France, Italy, Spain, Austria, Luxembourg, the Netherlands, America, Switzerland and Denmark.



Arnold N and TT

The Arnold range doesn't just model locomotives, European trams are available in 'N' gauge too.



Karl Arnold started his company in 1904, K. Arnold GmbH & Co in Nurnberg, Germany. After the Second World War the Nurnberg factory was rebuilt by Karl's son and General Manager of the company, Max Ernst.

The pair monitored the growth in sales of model railway products but believed a smaller scale product would meet modern demands. With 'TT' scale, 3mm: Ift scale models running on 12mm gauge track, being tried by Nurnberg neighbours Trix, Arnold decided to build a workable solution for motorised trains in a small scale still - 'N' scale modelled to 1:160 in Europe using 9mm gauge track.

The Arnold Rapido range was ground breaking in the new 'N' scale when it arrived in 1960 and has been a signature for quality ever since. Its name lives on today with the standard 'N' scale Rapido coupling still used across the UK and Europe in commercial 'N' gauge models.

The range continued to grow through the 1960s covering locomotives from across Europe as well as rolling stock, track and accessories. Towards the end of the decade it partnered with Revell USA and manufactured an American outline range as Revell Rapido. By 1970, up to 250 people were employed by Arnold across three factories in the Nurnberg

Although production continued and new models were introduced up until 1995, Arnold were increasingly outclassed by other competitors and failed to recoup investment



from new tooling. The lack of profitable 'N' scale business eventually took its toll and Arnold fell into bankruptcy in 1995 and was

Above: Arnold N display layout from 1968.



A highlight of the current range is Arnold's 'N' gauge model of the world fastest operational steam locomotive - unique German 'Pacific' 18.201.



sold to Rivarossi of Italy shortly after.

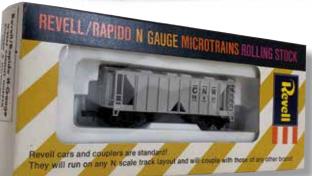
Arnold N and its later development of 'TT' products became part of the Hornby range in 2004 with purchase of the Lima Group. Its extensive line-up of 'N' gauge locomotives and rolling stock were backed up by a small but growing collection of 'TT' products – a scale which has seen a resurgence of interest in mainland Europe over the past two decades.

The 'N' gauge range is primarily focused on European products but has included American outline diesel locomotives recently. Highlights in 2019 include the return of the ever popular Swiss 'Crocodile' Ce6/8 I-C+C-I electric locomotive – a class designed to haul heavy freights over the steeply graded Gotthardbahn as well as through the Gotthard tunnel – an Deutsche Reichsbahn (DR – East German) E04 I-C-I electric and the ever popular DR experimental 'Pacific' 18.201 – the fastest operational steam locomotive in the world - in a range of liveries.

Under Hornby's leadership Arnold also announced its first British outline 1:148 scale 'N' gauge train - the 'Brighton Belle' five-car Pullman Electric Multiple Unit - in 2013 with the first versions arriving in December 2014. 2019 will see a third version covering the early British Railways era produced by Arnold further cementing its position in British outline 'N' gauge.







Above: A small collection of American outline products still remain in the Arnold range, a legacy from the old Revell Rapido brand of the late 1960s.

Left: Original Revell Rapido products are rare today. This is an example of mini condition cement hopper in Chicago and Northwestern livery for 'N' gauge (Cat No. N-2557).

Right Arnold moved into 'TT' scale models during the 1970s using products from the former Rokal brand. One of the original Arnold products is the German Kof diesel shunter which has since been reintroduced under Hornby ownership.



ectrotren

Electrotren's models have continued to push the boundaries of detail from the very start. This is its model of Alstom built Class 276 Co-Co electric 8634 in RENFE light green for 'HO' scale.



by Jaime Gonzalez Forrellach. At the time, the country had a poor economy and was on the border of the wealthier European states. Jamie wanted to make model trains but was hindered by the availability of cash and materials to do so. This resulted in him travelling around Barcelona visiting restaurants each evening. Here he would collect empty olive and tomato tins, which the following day could be washed and reused for early tinplate models.

By 1954 his business was becoming successful and he took the decision to move from Barcelona to Madrid, occupying a warehouse in Madrid's Antonio Lopez street. The move to Madrid was accomplished using a friend's lorry. He wanted to be become the Marklin of Spain - Marklin being viewed as the best of the German model producers - and was forever pushing the skills of his engineers and the abilities of his staff to reach ever higher levels of detail and reliability.

One example of this was how Jamie spotted an opportunity to improve the quality of the paint finish on his models. He heard about the rise of a new tampo printing developed in Germany. This allowed the accurate and repeated application of ink onto a three dimensional surface. Hearing of this new technology, he packed a case, took a flight to Germany and camped on the doorstep until the company opened and was able to take his

Modern day Electrotren train sets have been able to draw on Hornby's experience in the field. They include a Hornby style track mat plus a locomotive, wagons, track and controller.



order to buy a Tampo printing machine.

Two further moves followed as the company grew, until the modern factory building in San Fernando de Henares was acquired. Here the business manufactured for local and overseas markets.

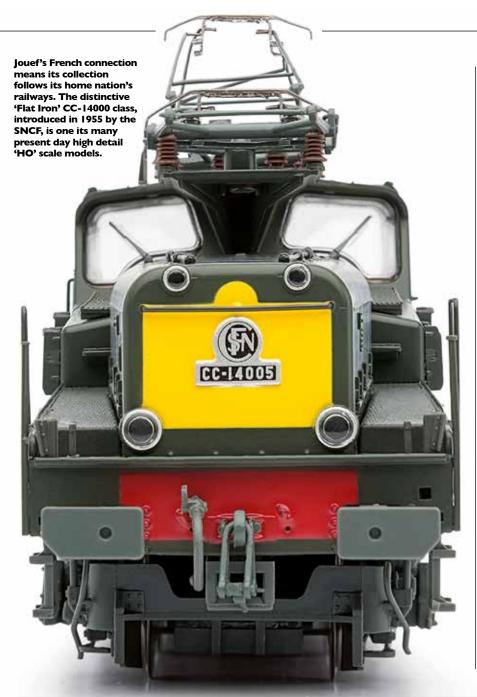
The dawn of the 21st century saw Electrotren undertaking contract manufacture for other European model railway companies and acting as distributor for Hornby in Spain. The close relationship resulted in Hornby introducing it to their Chinese vendor Sanda Kan and eventually in Electrotren also migrating its production to China.

Within a few years the move had been completed and the family felt they were ready to step back from ownership of the Electrotren business. Whilst the Gonzalez family continued to manage it, the ownership passed to Hornby in 2004.

Whilst not part of the Lima purchase it still formed one of four major European purchases and was a founding part of the new European business - Hornby International. With the experience in manufacturing and

The RENFE Class 440 suburban electric units are a popular feature of its 'HO' scale catalogue.





product development, within three years Spain had become the hub for product development and export sales for the entire Hornby International business.

In 2014 a consultancy report into the profitability of the European business recommended closing much of the offices in Spain and moving warehouse and operations back to the UK. At the same time the former Electrotren factory was sold and the slimmed down business covered just sales and product research occupying the administration floor of the building.

From October 2017, under the current management, a full review of the European business identified the need to improve the local market support in each country and so the headcount has gradually increased from three, up to eight staff in Spain. Hornby Spain once again handles product development for the group and has a much stronger sales force.

The increased resource means that delayed products began to arrive in Spain during late 2018 and an up swing in sales and market share has begun. In December the first completely new product in three years was released to great acclaim – the Class 303 0-6-0 diesel shunter.

The future now looks much brighter with growing sales, improvements in product quality and output – although it will take a number to grow the business back to its former level. The Electrotren range comprises exclusively Spanish outline locomotives and rolling stock in 'HO' scale including steam, diesel and electric locomotives plus country specific carriages and wagons to match.

2019 will see new tooling join the range again in the form of the four-car RENFE (Spanish Railways) S-114 electric unit together with a number of returning items such as Talgo diesel locomotives and the Class 269 Bo-Bo electric in both RENFE 'Estrella' livery and the present day private owner colours of Comsa.



In 1954 Electrotren moved its business from Barcelona to Madrid and it took just one lorry.



46 years later the relocation of Electrotren required 22 trips and much larger lorries to accomplish. In both images Electrotren's founder Jaime Gonzalez Forrellach is pictured.





and powered by an elastic motor. The scale chosen was 'HO' (1:87) running on standard 16.5mm gauge track, while most other rail model manufacturers of this period made larger 'O' scale (1:43) products running on 32mm gauge track.

Around 1950, Le Jouet Français or JF became Jouef. Over the years, the models have become more and more faithful with absolute respect for the scale, but the performance and quality of the models was sometimes below what the market expected. In addition to the manufacture of electric trains, slot cars were also made and towards the end of the 1970s Jouef were focussed on export and pushing into the British market with 'Playcraft' and then 'OO' gauge models including a British Class 40 and Mk 3 carriages.

In the early 1980s, competition from video and electronic toys was fierce, so the market for model cars was losing momentum, and the group who owned Jouef filed for bankruptcy in 1986. The firm was then taken over by independent entrepreneurs, including The model which started Jouef on the path of model railways - its late 1940s model of the Trans-saharan Algiers-Tombouctou railcar made from tinplate to 'HO' scale.

Jacques Barret, and embarked on a policy of diversification of activities including cars in several scales. However, this failed to save the business and they were again forced to file for bankruptcy at the end of 1995. Jouef was then bought by the Italian manufacturer Rivarossi in 1996 and integrated into its group, which included several model railway manufacturers. The production of Jouef models then remained in France at the Champagnole factory.

On June I 2001 the Lima Spa group announced the closure of the Champagnole (Jura) plant, marking the end of industrial

production of electric trains in France and the moulds were transferred to Italy. However, that was short lived as three years later the Lima Group, including Jouef, was bought by Hornby giving the new owner a home-grown brand for model railways in France.

Once again Hornby wanted to provide local market presence in France, as they had in Germany. It looked at the market and approached its Distributors Olivier and Martine Lanter. The couple also develop a range of accessories and rail models in 'HO' scale under their MKD brand. Over the years, MKD





The Jouef range wouldn't be complete without a model of the iconic TGV high-speed electric train.



The French railways had some fascinating early electric locomotives including the mid-1930s introduced 2D2-5500 locomotives which have been immortalised by this Jouef 'HO' scale model.



The model which started Jouef on the path of model railways – its late 1940s model of the Trans-saharan Algiers-Tombouctou railcar made from tinplate to 'HO' scale.

has also become the importer for France of Lima, Hornby, Rivarossi, Scalextric, Kato, LGB, Preiser and Busch.

In 2006, Hornby acquired MKD to form its French subsidiary Hornby France. 2006 also marked Jouef's return with new models available at retailers. A few models whose design dates back to the Jouef Champagnole period are marketed, manufactured by Chinese subcontractors, but many new tools have been developed to lift Jouef models to the levels expected by collectors.

Jouef remains a brand highly appreciated by French consumers and 2019 marks its 75th anniversary. New products are coming including a special commemorative limited edition for the 75th anniversary modelling a French 'Mikado' 141R plus a brand new tooling for the 1951 introduced French Railway (SNCF) X 2400 diesel railcar, new CIVVL sleeping cars and more.



A 1950s Jouef electric train set for 'HO' scale with two-rail track.



Lima

Lima



Lima (Lavorazione Italiana Metalli e Affini) was founded in Vicenza in 1946 as a company specialised in repairing and manufacturing aluminium parts for railway carriages damaged during the Second World War. After a few years, the company changed and started producing metal toys including cars, guns and cookers.

In 1953, engineer Ottorino Bisazza, chief technical officer of a textile company called Marzotto, bought a share in Lima. The Company continued producing toys and it began to manufacture electric trains as well. Ottorino Bisazza's winning idea was "making the train for everyone", the cheap toy train affordable by everyone. In 1963, the company employed about eighty people, but within a few years this had grown to 400.

During the early 1960s, the wider market outside of Italy was becoming important to Lima and by the end of the decade, the European markets opened up with Lima products sold in more than 30 countries. In the 1970s the company reached its peak turnover when exports became the most important item of production, making 70% of its turnover.

For the UK market, Lima had started by producing models in 'HO' scale (1:87 or 3.5mm: 1ft), but with poor results given that the slightly larger 'OO' scale (1:76 or



Packing train sets at the Lima factory in 1968.

4mm: Ift) was the dominant size in the country. To break into the UK, the company reconstructed the tooling to convert their range to 'OO' and it instantly took off becoming one of the most popular names in model railways during the 1980s and 1990s and with an extensive range of products too.

Lima's product range expanded so much

that by the end of the 1980s its catalogue was a cornucopia of different trains: nearly 700 models in total. It was regarded as the company with the largest catalogue in the world within its sector.

In the second half of the 1960s, the company started producing systems in 'N' scale (1:160), as well as in 'O' scale (1:45), though for the British market neither of these scales matched the domestic scales of 1:148 for 'N' and 1:43 for 'O'.

1978 was the golden year for the Vicenzaheadquartered company with one million train sets sold. Lima sold almost exclusively train sets including locomotive, wagons, tracks and a transformer, unlike the other brands who typically targeted modellers and hence sold individual models.

In the early 1980s, with the model of the brand-new French TGV train, Lima had a great deal of success in France. The French market had always been rather parochial, but Jouef, the only large French company in this sector, was in crisis in that period and it was not ready to produce a model of the sought-after and already iconic TGV at the right time. Lima found itself without competitors for that specific model. It sold 1,300,000 units. It was a product with a dedicated assembly line that made only TGV models, two hundred thousand per year.







Lima's brand has been refocused to cover both junior and expert modellers. This is one of its Lima Junior sets aimed at encouraging children to build a model railway.



Also, thanks to the success of the TGV model, the problems related to the toy market which appeared a few years later, had a lesser impact upon Lima compared with other manufacturers.

With the toy train crisis, the problem related to changing production in order to follow the market. The company gradually moved away from the modelling sector, which was a different market, with different users, different problems and also different requirements and focussed on the entry level toy sector.

The end of the 1980s was a period of change. The plant at Vicenza was closed and sold, and production was moved to Isola Vicentina in Italy. Thanks to the liquidity obtained from the sale of the old plant, Lima introduced a series of innovations, such as the use of Computer Aided Design and Manufacture (CAD and CAM) systems for designing new carriages, the spark erosion system for making moulds, modern paint booths with pneumatic closure and an automatic storage system in its warehouse.

Nevertheless, in the early 1990s, the company was still in trouble. The German importer responsible for 25% of its turnover went bankrupt and sales were falling. In 1991, the company went into receivership and in 1992 it was bought by Rivarossi, but it preserved its own autonomy in terms of administration and production.

In 2001, the company structure of Rivarossi changed, as it became the owner of Lima. The Rivarossi plant in Como, the French Jouef plant and the German Arnold plant were closed, all production was moved to Isola Vicentina and a new company was created: Lima S.p.A., with headquarters in Brescia and

owner of the Rivarossi, Lima, Jouef, Arnold and Pocher brands.

In 2003, the company went into receivership. In June 2004, the plant in Isola Vicentina was also closed and the last 70 employees were dismissed.

By the end of 2004, the brands, moulds and technical files were in the hands of Hornby Hobbies where they have been given a brand new lease of life both in the British and European markets. Many of the British items - once the backbone of UK modelling - have made a return to the shelves of retailers with Hornby while the oldest, and those replaced by newer tooling, have been cascaded into Hornby's RailRoad starter collection where they continue to serve a hungry audience.

The European outline products have been divided between two separate brands - Lima Junior aimed at encouraging children to create their first model railway and Lima Expert which is created with the collector and seasoned modeller in mind. The Junior range includes battery and track powered locomotives and multiple units as well as a collection of carriages and wagons to expand a starter layout. The Expert range meanwhile focuses on Italian outline locomotives and rolling stock. 2019 will see it expand with a brand new tooling the ETR610 New Pendolino electric unit including a four-car train pack including driving cars and extension packs allowing a seven coach train to be reproduced. It will be available in Italian and Swiss railway colour schemes.



An injection moulding machine in Lima's factory in 1978.

Rivaross

Rivarossi was created in 1945 by Alessandro Rossi, a very young entrepreneur who had graduated in Engineering from the Polytechnic of Milan. The company was born out of a precision mechanics business. When Rossi arrived, the other shareholders left. One person who remained was Antonio Riva, from whom the name of the new company, 'Rivarossi', is derived. Riva left the company a few months later, but the name remained the same.

Rivarossi was created with the purpose of making electric powered model trains. Rossi was a great lover of real trains as well as scale miniature models. The first headquarters were in Albese, a town near Como, Italy, but in 1947 the new Sagnino plant in the same town was ready and it became the company's headquarters for more than 50 years.

The company was very innovative from the very beginning it was the first one in the world that used plastic for making the bodywork of models, when all manufacturers made metal models. It was also the first that proposed the direct current system with two rails in Europe.

The first catalogue was published in 1946 and as of the following year an American locomotive was already in the catalogue. The American market would become very important for Rivarossi. The catalogue was enriched year after year with locomotives, wagons, track, controllers and accessories made from plastic.

The company's boom took place in 1955, when the Italian Gr835 locomotive was launched. In 1957, Lionel (an American company which was founded in 1900, but at that time produced only electric trains in 'O' scale) asked Rivarossi to prepare an order of American carriages in order to get into the 'HO' electric train market. These were already in the Rivarossi catalogue and the first Lionel 'HO' catalogue in 1957 was completely made up from Rivarossi products.

The 1960s were characterised by expansion for the company. In 1963 it bought part of the ownership of Pocher from Turin, an important railway modelling company. In 1967, the first European locomotive was produced. Up to that time, they were only Italian and American, with the French Chapelon 'Pacific', followed by German locomotives, up to the wonderful 'Royal Scot' 4-6-0 of the British London Midland & Scottish Railway. In that year, the model of the American Union Pacific 'Big-Boy' 4-8-8-4, the largest steam locomotive in the world, was also manufactured.

Rivarossi was the first company producing models using modern industrial methods and at a relatively reduced cost. Thanks to a patent





Rivarossi has spreads its wings over the years to cover a range of European railway companies including Swiss operator the Bern Lotchsberg Simplon railway and its veteran Ce 4/6 electric 307 in 'HO' scale. The originals were built in 1920.

obtained a few years before, the 'Big Boy' – in spite of its large dimensions – was able to run on the tracks found in most homes. It was really well done and detailed: a large model which remains in the catalogue to this day. In the same year, the production in 'N' and in 'O' scale began.

Magnificent models continued to be launched, including the Hudson 'Dreyfuss' 4-6-4 of New York Central and the CIWL carriages of the 'Orient Express' for Europe, which were considered to be one of the masterpieces of Rivarossi, as well as the beautiful English carriages matching the 'Royal Scot'. In the 1970s, 80% of production was for the American importer AHM. Unfortunately, AHM went bankrupt in 1980, and also dragged Rivarossi down.

In 1981, the company went into receivership, and this was followed by some difficult years. However, in 1984 the company came out the other side and production continued, but the market was changing, and the electric train was no longer the most wanted toy by children.

The company relied on the products produced by Pocher in this period which it had

bought outright in 1974. Pocher had transferred production of model railway equipment to Rivarossi previously and it was successfully focussed on manufacturing cars in 1:8 scale, with great success all over the world.

The 1990s were characterised by important acquisitions of sector companies. In 1992 Lima was bought: the other big Italian company within the sector, larger than Rivarossi in terms of turnover and production. In 1995, it was the turn of the German company called Arnold, which was a leader in 'N' gauge models for Europe. In 1996, the French company Jouef joined the group. The benefits hoped for by combining the four companies did not materialise. Resuming production was costly and the economic return was insufficient.

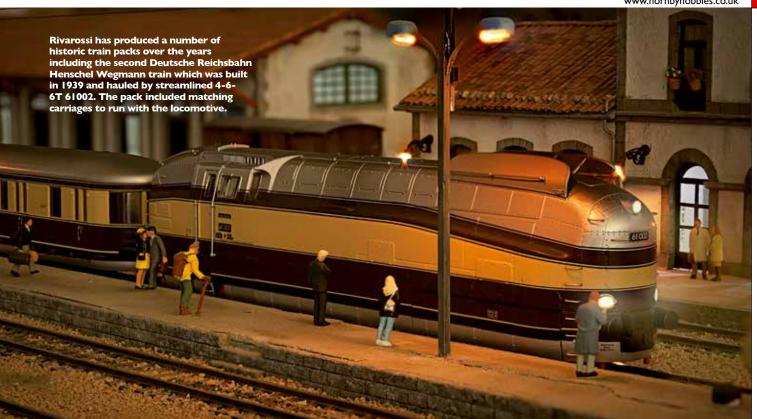
In 2000, there was a new problem and a new corporate system: the three historical plants, Rivarossi in Como, Arnold in Mühlhausen and Jouef in Champagnole, were closed, and all production was moved to Lima in Isola Vicentina. Lima S.p.A. with headquarters in Brescia was created, and it became the owner of the four brands (five with Pocher). Nevertheless, these measures were not enough to stop the decline. In 2004, the Lima plant was also closed, and production stopped.

In 2004, the company, which had again gone into receivership, was bought by Hornby, but now has a bright future again as part of Hornby's International business. Its product range includes mainly Italian railway locomotives and rolling stock, though it also continues to produce models of German, Swiss, Austrian, Polish, Danish and American origin.

Highlights in 2019 include the return of the



East German steam locomotives have been a regular forty of Rivarossi. This is a class 58 2-10-0 in standard Deutsche Reichsbahn black with red underframe for 'HO' scale.



Hornby in America

The Hornby group has seen its products and brands appear in the American market several times over the years. Things started when Lionel 'HO' was re-labelled Rivarossi in 1957 - an agreement which lasted approximately one year.

Arnold, leading the development of 'N' scale in Germany, also dipped its toe in the American market with a partnership with Revell which resulted in a range of American outline models under the Revell Rapido branding. This relationship began in the mid-1960s and although only destined to last a few years, did provide a product range which would occasionally be produced to supply demand.

After Lionel, Rivarossi and Hornby was distributed by Bernie Paul with his AHM (Associated Hobby Manufacturers) company, based in Philadelphia. It was during this era that Rivarossi developed models especially for the US market - including the iconic 'Big-Boy' steam locomotive which appeared in the late 1960s for the first time.

Hornby items would be bought either in bulk or packaged into special AHM boxes. AHM underwent several reorganisations and changes finally emerging as IHC (International Hobby Corporation). This arrangement lasted until 1992.

In 1993 Model Expo based in Pocono, Pennsylvania, took over distribution of the Rivarossi line - this appeared to last for three or four years at which point Rivarossi tried to be its own importer with distribution through the major model railroad distributors. Around 1999-2000 Walthers was appointed the exclusive importer distributor. Around the same time Rivarossi went bankrupt in Italy.

At the same time Hornby purchased its Scalextric distributor in the USA - and renamed it Hornby USA. In the US, Walthers and Hornby America were supposed to be co-importers/distributors, with Walthers overseeing the further development of the Rivarossi American outline product. This arrangement came to an end when Walthers purchased LifeLike Trains and their Proto high scale/detail range in mid-2005.

At this point Hornby America became the sole importer of Rivarossi in the United States. This consisted predominantly of American outline products – with a little bit of the European outline - in fits and starts. Hornby America in conjunction with Hornby International became the leader in North American product development. As well as re-introducing the full Rivarossi range, new items were developed



The Hornby America team gathers outside the Tacoma office on the North West coast of the USA.

in 'HO' and 'N' scales. Scalextric was joined by sister brands Corgi, Airfix and Humbrol, resulting in all brands being distributed by the British company's 100% owned subsidiary. Today the offices and warehouse operate from Tacoma on the North West coast - handy for shipments arriving from China.

HEICO

Germany is the largest model railway market in Europe, and Hornby International needed to make itself a 'player' in this important market.

The purchase of the Lima group gave the company two product ranges, Arnold, the original German 'N' scale manufacturer and Lima which had produced models for many German speaking markets.

What was also needed was a sales force and base within Germany. In this case Hornby turned to its local partner and Hornby distributor – Heico. Heico was a manufacturer of wagon loads - a skilled task which had a strong demand as a premium product.

The company was acquired

from the family owners and expanded to become the German speaking sales office for Hornby International.

Today sales and research of new products continues to be handled from the offices for all of Central Europe. Research is fed to the Spanish development office. Meanwhile in 2014 the German warehouse and logistics were merged with the Hersden warehouse in the UK, allowing the business to move to new premises.

The company now operating as Hornby Deutschland regularly attends trade and consumer shows promoting the full range of brands.