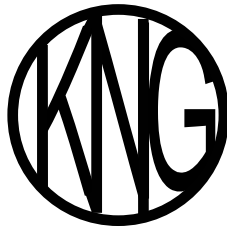

ASIAN PAINT & COATINGS

2007-2012

A Multiclient Study

NOW AVAILABLE

September, 2008



KUSUMGAR, NERLFI & GROWNEY, INC.

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ASIAN COATINGS: A DYNAMIC MARKET

Asian coating consumption continues its rapid rise with usage of 21.4 billion pounds (9.7 MM metric tons) worth \$29.5 billion in 2007. Volume is up by nearly one-quarter since our prior study which covered 2004 as the base year. Dollar value is up by 44% owing to local inflation, the decline in the U.S. dollar, and somewhat higher growth of higher quality and more expensive coatings. Asian coating growth is forecast at 8%/yr through 2012 with the developing economies leading the way.

As shown in Table 1, China is by far the largest consumer of coatings in the region taking 46% of the poundage in 2007. China's coating growth remains strong at 11%/yr and is driven by domestic consumption, as well as export growth of some coated products. It is projected that by 2012, China will capture 52% of the coating volume in Asia. In contrast to China is Japan which has a mature economy. Japan consumed 14% of the Asian coating poundage; no growth is forecast through 2012. However, many Japanese coating suppliers are major players in other Asian countries.

India is the third largest consumer of coatings in pounds and the fourth largest in value. India has the highest coating growth rate in Asia, just ahead of China. In contrast to the mature industrial economies of the region (Japan, Korea, and Taiwan), architectural coatings are a much greater percentage of the coating pounds and dollars in India. South Korea is Asia's fourth largest consumer of coatings in volume and third largest in dollar value. Like Japan it is a mature economy with industrial applications consuming 85% of its coating dollars and architectural coatings the rest. Excluding the top four countries discussed above, other Asian countries consumed about 17% of the Asian coating volume and value.

Architectural coatings are the largest coating segment in Asia with nearly one-half of the pounds in 2007. Original equipment manufacturers (OEM) took nearly one-third of the Asian coating volume, but are the leading coating outlet in dollars with 42% of the value. Special purpose coatings comprise 19% of the volume and 22% of the dollars in Asia. Marine and industrial maintenance are most of the volume and dollars.

Although there are thousands of coating suppliers in Asia, the top dozen companies capture 46% of the sales; the top two dozen 55%. Three companies have Asian coating sales of over \$2 billion; the next five have regional sales in the \$500-1,000 million range. The industry continues to consolidate.

Table 1
ASIAN PAINT & COATINGS CONSUMPTION BY COUNTRY

Country	2007		2012		%AG R
	MM Lb	%	MM Lb	%	
China	9,850	46	16,620	52	11
Japan	2,914	14	2,978	9	0
India	2,617	12	4,850	15	13
South Korea	2,240	10	2,712	8	4
Others	3,729	17	4955	15	6
TOTAL	21,350	100	32,115	100	8

THE STUDY

ASIAN PAINT & COATINGS characterizes consumption for base year 2007 and provides projections to the year 2012. The report gives a comprehensive analysis of coating consumption by country, application, and technology in Asia. Growth rates, trends, recent developments, coating supplier structure, pricing, applications, and end users are assessed. A separate section of the report summarizes each of the coating end uses.

An Executive Summary provides subscribers a concise, easy to read representation of the Asian coating industry. The Business Analysis summarizes coating consumption by segment and technology and details the coating the supplier structure in Asia. A review of mergers and acquisitions is part of the Business Analysis. **ASIAN PAINT & COATINGS** accurately portrays the coating industry in the identified countries, and provides critical insights into future developments.

TABLE OF CONTENTS

	<u>Page</u>
FORWARD	i
TABLE OF CONTENTS	ii
SCOPE AND EXPLANATION ON HOW TO USE THIS REPORT	vii
ABBREVIATIONS	ix
EXECUTIVE SUMMARY	1
Country Overview	1
End Use Review	3
Supplier Structure	5
Country Comparisons	6
Significant Trends	7
Exchange Rates	8
BUSINESS ANALYSIS	9
Overview	9
Technical Assessment	12
Supplier Structure	14
Mergers and Acquisitions	19
COUNTRIES	23
China	23
India	86
Indonesia	113
Japan	130
Malaysia	174

TABLE OF CONTENTS (Continued)

	<u>Page</u>
COUNTRIES (Continued)	
Philippines	192
Singapore	206
South Korea	218
Taiwan.....	264
Thailand	294
Vietnam.....	315
Other Countries.....	338
END USES	342
Appliances	342
Architectural	345
Automotive	351
Auto Refinish.....	357
Coil.....	360
Electrical	362
General Metal and Other OEM Coatings	364
Industrial Maintenance	367
Marine.....	370
Metal Containers.....	374
Non-Auto Plastic Substrates	377
Other Transportation.....	379
Powder Coatings	382
Wood Furniture.....	386

OUR QUALIFICATIONS

Kusumgar, Nerlfi & Growney is a consulting firm specializing in market research and business analysis for the polymer and chemical industries. Members of the firm possess some 70 years of experience analyzing the coating, ink, and adhesive & sealant industries. Kusumgar, Nerlfi & Growney is dedicated to providing comprehensive and accurate information and insight on technology driven markets.

The information and analyses contained in **ASIAN PAINT & COATINGS** was developed by Michael Growney, Minesh Kusumgar and Steven Nerlfi. No outside contractors were employed. Our expertise has been gained from conducting over 35 multiclient and numerous proprietary studies.

ADDITIONAL SERVICES

Kusumgar, Nerlfi & Growney's current multiclient projects are **ASIAN ADHESIVES & SEALANTS** and **WATER-BASED RESINS, 2008-2013**. The **ASIAN ADHESIVES & SEALANTS** study will provide subscribers with detailed information on adhesives and sealants by end use in Asia. Significant trends, regulatory implications, technology, and mergers and acquisitions will be covered in detail. **ASIAN ADHESIVES & SEALANTS** expands upon our **ADHESIVES IN DEVELOPING REGIONS** report of 2003. The **WATER-BASED RESINS** report will provide information on water-based resin consumption in the U.S. in the adhesives, coatings, inks, and sealants industries. The study will emphasize new developments. **WATER-BASED RESINS** builds upon our **WATER-BASED PRODUCTS** study of 2000.

Our recently completed studies include **THE U.S. PAINT & COATINGS INDUSTRY, 2006-2012**, and **ASIAN COATING ADDITIVES** (2008). Interested parties are invited to contact Kusumgar, Nerlfi & Growney for brochures and additional information. Brochures can be obtained at www.kusumgar-nerlfi-growney.com. We welcome inquires for projects of a proprietary nature.

SUBSCRIPTION INFORMATION

ASIAN PAINT & COATINGS is available through subscription. The price of the study is \$6,500. Subscribers will receive 3 electronic copies (PDF) of the report. Additional copies are available upon request. To subscribe, please complete and sign the contract on the following page and return to Kusumgar, Nerlfi & Growney. For additional information please call Kusumgar, Nerlfi & Growney at 973/439-0030 (FAX: 973/439-0031) or e-mail us at nerlfikng@cs.com.

CONTRACT FOR ASIAN PAINT & COATINGS

KUSUMGAR, NERLFI & GROWNEY, INC.
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Please initiate our participation in **ASIAN PAINT & COATINGS**. We understand our subscription entitles us to three electronic copies (PDF) of the final report.

We agree that for a period of three years from publication to:

1. Not reproduce the study, in whole or in part, by any means.
2. Restrict use of the study to our own employees.
3. Prevent the disclosure of its contents, to the best of our ability, to any other firm or person.

We understand that we may disclose the contents of this study to any firm that we own more than half of, or to a company that maintains more than a half interest in our firm. We may use or disclose any information in the study which is public knowledge, in our possession before receiving the report, or that has been obtained from third parties, but not from this study.

Kusumgar, Nerlfi & Growney will take reasonable precautions to prevent disclosure of the contents of this study, except to subscribers, for a period of three years after it is issued.

We understand the fee for **ASIAN PAINT & COATINGS** is \$6,500.

Kusumgar, Nerlfi & Growney will invoice us for the full amount upon acceptance of our participation, after a countersigned copy of this contract is returned to us for our records. We will pay this invoice within thirty days.

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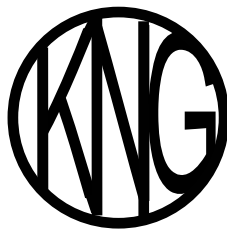
POLYMER AND CHEMICAL BUSINESS ANALYSIS AND MARKET RESEARCH

ADDITIONAL SERVICES

ASIAN PAINT & COATINGS is Kusumgar, Nerlfi & Growney's fifteenth multiclient study. Studies immediately available, or scheduled for completion, include:

- **ADHESIVES IN DEVELOPING REGIONS**, December 2003
- **ADDITIVES, 2003-2008**, September 2004
- **THE ASIAN COATINGS INDUSTRY**, September 2005
- **RADIATION-CURED PRODUCTS, 2005-2010**, July 2006
- **THE U.S. PAINT & COATINGS INDUSTRY, 2006-2011**, September 2007
- **ASIAN COATING ADDITIVES**, May 2008
- **ASIAN ADHESIVES & SEALANTS**, due year-end 2008
- **WATER-BASED RESINS**, due mid-2009

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