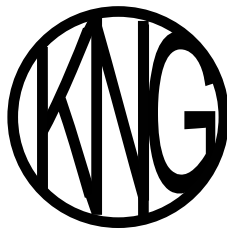

CHINA PAINT & COATINGS

2007-2012

A Multiclient Study

NOW AVAILABLE

September, 2008



KUSUMGAR, NERLFI & GROWNEY, INC.

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CHINA COATINGS: CONTINUED EXPANSION

Coating consumption in China was 9.9 billion lb (as supplied) worth \$12.1 billion (88 billion yuan) in 2007. Volume is up some 35% the last three years and dollar value about 75%. In local currency, the value is up some 50% since 2004. The decline of the U.S. dollar has augmented dollar value growth. Despite the recent global economic slowdown, a double digit annual rate of growth is forecast for coatings through 2013 as the country's economy continues its expansion.

SB coatings are the largest coating type with 47% of the volume and 52% of the dollars. SB technology is widely used in OEM and special purpose coatings. WB technology was 42% of the weight and 30% of the dollars. Over 90% of the WB coatings were consumed in architectural. The bulk of the WB architectural coatings are based upon emulsion polymers. Electrodeposition (e-coats) technology is about 6% of the WB coatings and is largely used in transportation applications. Powder coatings were 9% of the coating pounds and 16% of the dollars. They find use in appliances, auto parts, pipes, etc. Radcure coatings were 1% of the volume and 2% of the dollars and are largely used in wood furniture and as overprints.

Akzo Nobel is the largest coating supplier with 11% of the sales in 2007. Nippon Paint, the leader in architectural paint, is a second with a 5% share. DuPont is in third position and is a leading supplier of auto, powder, and cookware coatings. Kansai Paint, PPG, Hempel, Chugoku Marine, and Valspar are in the next tier of suppliers. The top nine suppliers are all international paint firms (headquartered in Europe, Japan, & the U.S.) and collectively capture one-third of the sales.

THE STUDY

CHINA PAINT & COATINGS characterizes consumption for base year 2007 and provides projections to the year 2012. The report gives a comprehensive analysis of coating consumption in China by application and technology. Growth rates, trends, recent developments, coating supplier structure, pricing, applications, and end users are assessed.

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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 **CHINA 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. 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.

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

CHINA PAINT & COATINGS is available through subscription. The price of the study is \$3,800. Subscribers will receive 2 single use 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 CHINA PAINT & COATINGS

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Please initiate our participation in **CHINA PAINT & COATINGS**. We understand our subscription entitles us to two single use 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 **CHINA PAINT & COATINGS** is \$3,800.

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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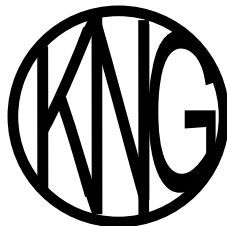
POLYMER AND CHEMICAL BUSINESS ANALYSIS AND MARKET RESEARCH

ADDITIONAL SERVICES

CHINA 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 PAINT & COATINGS**, September 2008
- **ASIAN ADHESIVES & SEALANTS**, due year-end 2008
- **WATER-BASED RESINS**, due mid-2009

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