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US Industry Study with Forecasts for **2011 & 2016**

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Wood Protection Coatings & Preservatives

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An ongoing shift toward higher value products have benefitted less toxic formulations such as water-based, powder and radiation-cured coatings and nonmetallic and organometallic preservatives.

US demand to grow 4% annually through 2011

Demand for wood protection coatings and preservatives is forecast to increase 3.4 percent per year to $3.4 billion in 2011, despite a challenging market environment. Continued weakness in the key siding market is prompting coating and preservative manufacturers to place greater emphasis on growing applications such as flooring and cabinets. In addition, demand will benefit from a shift in product mix to higher value items, as well as steady production of pressure-treated lumber and solid levels of construction-related improvement and repair spending. Nevertheless, a decline in housing starts and deceleration in residential building spending will limit aggregate gains.

US Wood Protection Coating & Preservative Demand, 2006
($2.9 billion)

Products shifting toward less toxic formulations

A shift in product mix to higher value formulations will occur in both coatings and preservatives, primarily due to environmental issues. Concerns over the release of VOCs during the coating process have initiated a gradual switch to more environmentally friendly formulations, such as water-based coatings in on-site applications, and powder and radiation-cured coatings in factory (i.e., original equipment manufacturer) applications. Concerns over the environmental impact of metallic preservatives such as alkaline copper quaternary and copper azole, have given rise to less toxic alternatives, primarily nonmetallic and organometallic formulations, which are likely to experience favorable gains.

Interior wood applications to outpace exterior uses

In general, wood protection coatings and preservatives demand will achieve the most favorable gains in interior wood applications, such as flooring and cabinets. Flooring and cabinet production will be promoted by growth in improvement and repair spending, as the purchase of these items is common during remodeling activity. In order to maintain wood's position in interior applications, wood coating suppliers will strive to develop product lines that feature a wider range of colors, improved efficiency and enhanced durability. However, the longevity of interior wood limits gains in coatings demand, as maintenance requirements are infrequent.

In exterior applications, wood will continue to suffer losses to competitive materials, resulting in a very difficult market for wood protection coating and preservative suppliers, especially as high maintenance requirements are a key factor in wood's gradual market losses. This is especially the case in siding, where the use of wood-based products continues to decline. However, maintenance coatings demand will continue to be supported by the large installed base of wood-based housing and decks.

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Sample Text, Table & Chart

TABLE V-9

**DECKING APPLICATIONS FOR
WOOD PROTECTION COATINGS & PRESERVATIVES
(million dollars)**

Item	1996	2001	2006	2011	2016
Wood Decking Demand (mil linear ft)	2476	2645	2705	2660	2570
$ new protection/000 linear ft decking	78	90	116	146	187
New Coatings & Preservatives					480
+ Maintenance Coatings					0
Total Coatings & Preservatives					0
By Product:					
Coatings					9
Stain					3
Sealer					9
Other Coatings					7
Preservatives					1
Alkaline Copper Quaternary					7
Chromated Copper Arsenate					9
Other Preservatives					5
By Market:					
Residential Building					7
Nonbuilding					6
Nonresidential Building					7
% decking					3
Wood Protection Demand					110

SAMPLE TABLE

MARKETS

Building Construction

Wood protection coatings and preservatives demand in construction markets is forecast billion in 2011, promoted by fa decking applications. Design t aggregate gains through 2011 a buildings more often and a grea refinished. Wood's continued c promote aggregate gains. In add relatively frequent maintenance requirements of the large ins of wood decks in both residential and nonresidential settings

SAMPLE TEXT

In siding, windows and doors and other applications suc ing, wood is facing intense competition from alternative mat severely restricting gains in wood protection coatings and pr demand through 2011. In the case of siding, for example, w tion products demand will face slow gains of less than one p year through 2011.

In 2006, maintenance uses accounted for 61 percent of tection coatings and preservatives demand in the building market. Maintenance requirements for wood products used in the building market are relatively frequent, providing continued opportunities for protection products through 2011. However, gains will be limited, primarily due to a shrinking wood base as key wood items (e.g., siding, and windows and doors) continue to be replaced by non-wood materials, primarily plastics.

Due to steady wood flooring and decking production, new end uses will achieve gains of 2.5 percent per year through 2011. Outside of flooring and decking, gains in all new applications will be limited due to a gradual shift away from wood to alternative non-wood materials.

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"**Residential** -- The residential market constitutes the largest end use for wood decking, and thus wood coatings and preservatives for decking. In 2006, the residential segment accounted for 56 percent of total wood coatings and preservatives demand in decking applications. Demand for wood protection coatings and preservatives in residential decking is forecast to increase 3.9 percent per year to $445 million in 2011. Gains will be supported by ..."

--Section V, pg. 169

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Sample Profile, Table & Forecast

TABLE IV-3

WOOD COATINGS DEMAND BY APPLICATION & END USE
(million dollars)

Item	1996	2001	2006	2011	2016
Wood Coatings Demand	1(				70
By Application:					
Siding					75
Decking					29
Furniture					91
Windows & Doors					93
Flooring					30
Other Applications					02
By End Use:					
New					35
Maintenance					35

SAMPLE TABLE

COMPANY PROFILES

California Products Corporation
150 Dascomb Road
Andover, MA
978-623-9980
http://www.ca

Annual Sales:
Employment:
Key Products: ... ishes and primers, comr ... ers, and interior specialty f

SAMPLE PROFILE

California Products is a privately held manufacturer of architectural, sports surfacing and environmental containment coatings. The Company operates through three divisions: California Paints, Plexipave Sport Surfacing and DecoSystems. California Products also operates through its Fiberlock Technologies Incorporated subsidiary (Andover, Massachusetts), a maker of environmental containment systems and high performance coatings.

The Company participates in the US wood protection products industry through the California Paints division (Andover, Massachusetts), which manufactures paints and coatings for home and office uses; ceiling whites and enamels for hard wall interiors; and finishes and primers. The division's wood protection products include exterior stains and finishes, residential finishes and primers, commercial finishes and primers, specialty primers, and interior specialty finishes. Exterior stains and finishes made by California Paints are marketed under the STORM STAIN brand name. Specific products include TROUBLESHOOTER solid primers and stains; LUMBERCARE semi-transparent acrylic latex and linseed oil stains for siding; ENDURADECK alkyd linseed oil primer for decks and fences; and ENDURADECK alkyd

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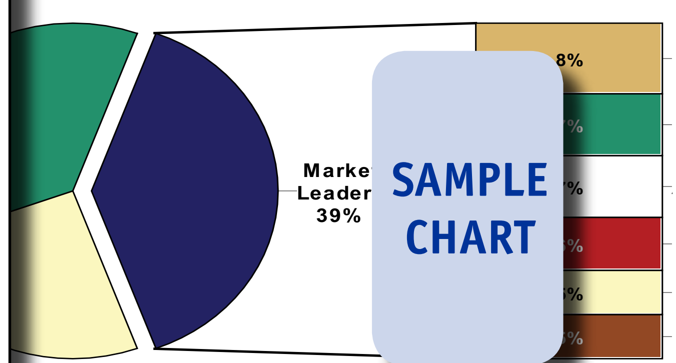
CHART VII-1

COATINGS & PRESERVATIVES MARKET SHARE, 2006
($2.9 billion)



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Other Studies

Pigments: Inorganic, Organic & Specialty

US color pigment demand will grow 4.4% yearly through 2011, driven by a shift toward high-performance organic pigments and specialty types. Metallic, pearlescent and other specialty pigments will lead gains based on the need for more novel, eye-catching optical effects in automotive coatings, printing inks, plastics, cosmetics and toiletries. This study analyzes the $3 billion US pigments industry, with forecasts for 2011 and 2016 by type and market. It also details market share and profiles major players.

#2232 .... 08/2007..................... $4500

Flame Retardants

US demand for flame retardants will rise 3% annually through 2011, driven by increasingly stringent fire codes and flammability requirements, especially in building materials and consumer products. Phosphorus-based types will grow the fastest, while brominated compounds will continue to lead the market in total value. This study analyzes the $827 million US flame retardant industry, with forecasts for 2011 and 2016 by type and market. It also evaluates company market share and profiles leading competitors.

#2217 .... 08/2007..................... $4400

Industrial Gases

US industrial gas demand will grow 3.6% annually through 2010. Best opportunities will remain in the key petroleum and natural gas market while faster growth will occur in smaller volume uses such as electronics and healthcare. Hydrogen will continue as the most valuable market while argon will be the fastest growing gas. This study analyzes the $8.4 billion US industrial gas industry to 2010 and 2015 by type, delivery method and market. It also details company market share and profiles major players.

#2149 .... 02/2007..................... $4400

Industrial & Institutional Cleaning Chemicals

US demand for industrial and institutional (I&I) cleaning chemicals will grow 3.8% annually through 2010. Value gains will be boosted by more multifunctional and concentrated types. Disinfectants and sanitizers will grow the fastest based on heightened safety and health concerns. Specialty surfactants and additives will pace raw materials. This study analyzed the $8.3 billion I&I cleaning chemical industry to 2010 and 2015 by material, product and market. It also details company market share and profiles major players.

#2117 .... 10/2006..................... $4400

Biocides

US demand for biocides will grow 4.3% annually through 2010. Gains will be driven by sustained production levels in key outlets and by heightened awareness of the dangers of bacterial growth and foodborne pathogens. Higher value specialty products will continue to replace chlorine and other commodities in water treatment. This study analyzes the $2.1 billion US biocide industry to 2010 and 2015 by product, function and market. It also evaluates company market share and profiles leading competitors.

#2082 .... 07/2006..................... $4300

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