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Insulation

US Industry Study with Forecasts for **2012 & 2017**

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Demand for insulation in the US will benefit primarily from renewed growth in residential building construction, particularly single-family homes, from a very low 2007 base.

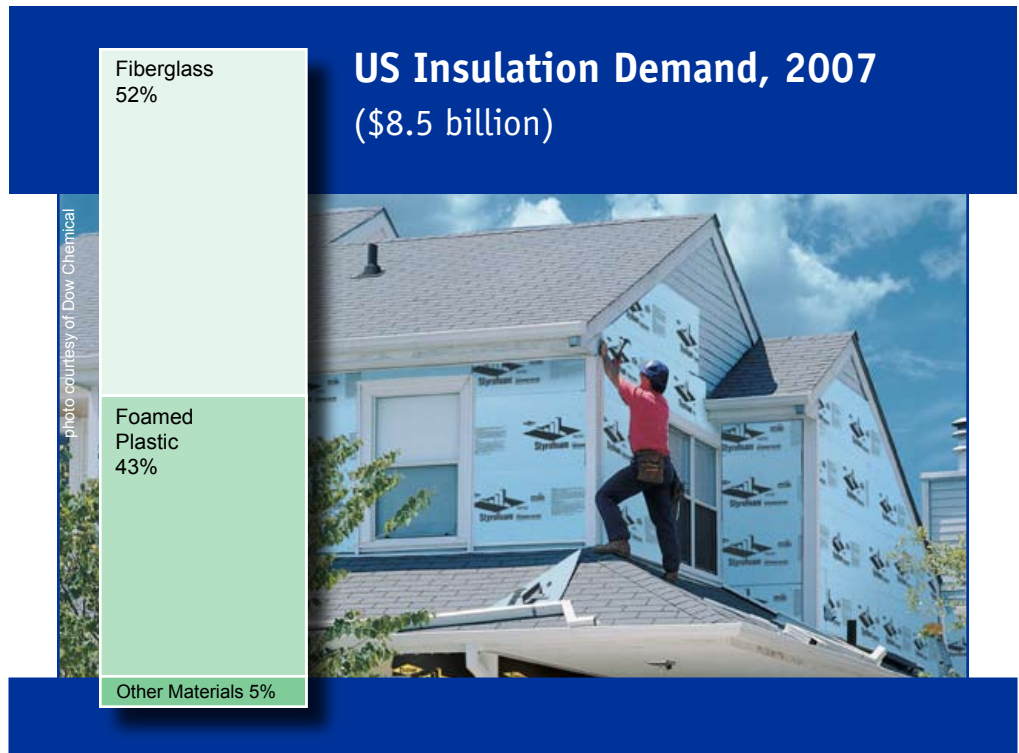
US demand to rise 5.3% annually through 2012

Demand for insulation materials in the United States is forecast to advance 5.3 percent per annum through 2012 to \$11 billion. Demand will benefit primarily from renewed growth in residential building construction, particularly single-family homes, from a very low 2007 base. Consumption will also benefit from greater insulation use on a per structure basis, as well as insulation upgrades for existing buildings, both residential and nonresidential.

Fiberglass to remain dominant, offer best growth opportunities

Fiberglass insulation will remain the leading insulation material in use, accounting for more than half of demand in dollar and volume terms in 2012. Growth will be driven primarily by the rebound in new home building, the dominant market for fiberglass insulation. Demand will also benefit from more intensive use of fiberglass insulation per new housing unit, sparked by growing concerns about energy efficiency, and by ease of installation and favorable cost factors.

Foamed plastic insulation is the second largest insulation product in use in the US, accounting for nearly 45 percent of demand in value terms in 2007. Advances will derive from growth in nonresidential building construction activity and



increasing penetration of residential markets. Smaller uses, such as the production of appliances and transportation equipment, will trail overall gains.

Among other insulation materials, reflective insulation and radiant barriers will see the fastest growth (albeit from a small base). These insulating materials will find increasing use in metal buildings and other nonresidential structures, as well as in pipe wrap, appliances and duct insulation, as a means of reducing energy costs. Cellulose insulation is used primarily in residential applications, largely in attic insulation. Mineral wool insulation has high temperature resistance, making it useful in industrial and HVAC applications.

New home construction market to recover

A primary market for insulation, residential construction encompasses both new and replacement (remodeling, attic re-insulation, etc.) uses. In 2012, residential construction will account for over 45 percent of demand for insulation in value terms and 60 percent in terms of R-1 insulating value. Gains will be most robust in new construction applications, as the industry recovers from a dreadful 2007 trough. Nonresidential construction markets will also provide growth opportunities, although value gains will be about the same as in the 2002-2007 period, and below the overall average.

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Sample Text, Table & Chart

MARKETS

Residential Construction

Insulation demand in residential construction markets is to advance 7.3 percent per year through 2012. This is a marked acceleration from 2007 and 2007, reflecting much in

SAMPLE TEXT

On an R-1 basis, demand is projected to advance 8 percent annually from a weak 2007 base. Residential construction, which accounted for 20 percent of total residential construction on an R-1 basis in 2007, will be the largest contributor to demand through 2012. Conventional single-family housing starts will expand through 2012 from a weak 2007 base, sparking significant growth in insulation demand. Consumption will also benefit from a long awaited recovery in the manufactured housing segment.

Demand will also benefit from increasing use in residential improvement and repair applications and in attic re-insulation, although both of these market segments will post below-average gains. In general, these applications are mature and proceed on a fairly predictable pace, apart from the cyclical swings which cause so much turbulence in new residential insulation demand.

Materials

Fiberglass is by far the dominant material used in residential insulation applications, accounting for more than 70 percent of demand in 2007 in value terms. Gains in demand for fiberglass used in residential markets will accelerate significantly through 2012, as these products benefit from the rebound in residential construction. The broad acceptance of fiberglass batts and blankets, blown insulation and other fiberglass products as a cost efficient and effective means of insulating homes will allow this product to maintain its dominant standing in residential

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TABLE IV-1

INSULATION DEMAND BY MATERIAL
(million pounds)

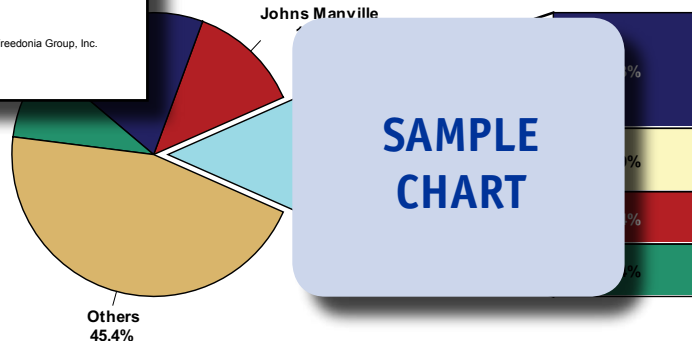
Item	1996	2001	2006	2011	2016
Bldg Construction Expend (bil 2000\$)					
lbs insulation/000\$ construction					
Insulation Demand*					
Fiberglass					
Foamed Plastics					
Cellulose					
Mineral Wool					
Other					
lbs/000 sq ft R-1					
Insulation Demand* (bil sq ft R-1)	2.				

SAMPLE TABLE

* excludes reflective insulation & radiant barriers

CHART VII-1

MARKET SHARE BY COMPANY, 2007
(\$8.5 billion)

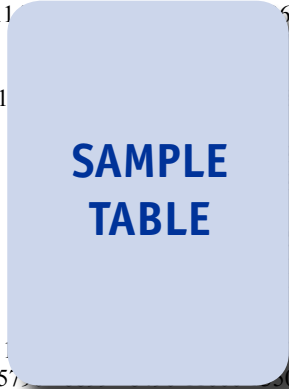


SAMPLE CHART

Sample Profile, Table & Forecast

TABLE VI-6
NORTHEAST INSULATION DEMAND
BY SUBREGION & MARKET
(million dollars)

Item	1996	2001	2006	2011	2016
Northeast Construction Expend (bil \$) 11					6.5
\$ insulation/000\$ construction					0.0
Northeast Insulation Demand	1				30
By Subregion:					
New England					90
Middle Atlantic					90
By Market:					
Residential					50
Nonresidential					15
Industrial, HVAC & Other					15
% northeast					4
Total US Insulation Market	57				300



COMPANY PROFILES

Pregis Corporation
 1650 Lake Cook Road, Suite 400
 Deerfield, IL 60015
 800-834-
 http://wv

SAMPLE PROFILE

Sales: \$
 US Sales
 Employr

Key Pro

Pregis Corporation is a producer of protective, flexible and food service packaging, and hospital supply products. The Company operates in four segments: Protective Packaging, Flexible Packaging, Hospital Supplies and Rigid Packaging.

The Company is active in the US insulation industry through the production of ASTRO-FOIL line of reflective insulation products. This product line was purchased in 2005 as part of the Company's acquisition of the protective and flexible packaging businesses of Pactiv Corporation (Lake Forest, Illinois). Pregis markets ASTRO-FOIL products through an agreement with Innovative Energy Incorporated (Lowell, Indiana).

The standard ASTRO-FOIL insulation product from the Company is comprised of two layers of polyethylene bubble film between two layers of aluminum foil and is suitable as the primary insulation in numerous types of buildings. In addition to the standard variety, the ASTRO-FOIL line includes such products as ASTRO-WHITE I, ASTRO-WHITE II and ASTRO-TAB. Pregis' ASTRO-WHITE I consists

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"Residential construction will be the most robust growth market for insulation in the Northeast region through 2012. However, the greatest turn-around will occur in nonresidential building markets, where growth potential will expand significantly over the 2002-2007 period. Consumption of insulation in nonresidential markets will advance 3.4 percent annually through 2012. In the residential market, gains will be ..."

--Section VI, pg. 175

OTHER STUDIES

World Drywall & Building Plasters

This study analyzes the world market for drywall and building plasters. It presents historical demand data for the years 1997, 2002 and 2007, and forecasts for 2012 and 2017 by product (drywall, building plaster); end use (residential buildings, nonresidential buildings), world region (e.g., Asia/Pacific, North America, Western Europe); and major country. The study also considers market environment factors, details industry structure and competitive variables, evaluates market share and profiles major players.

#2335 04/2008..... \$5500

Insulation in China

Insulation demand in China will grow 9% yearly through 2011. Gains will be fueled by strong building construction activity, increasing production of items that use insulation (e.g., refrigerators, freezers) and continued initiatives to boost energy efficiency. Foamed plastic will remain the largest segment and grow the fastest. This study analyzes the ¥18.4 billion Chinese insulation industry, with forecasts for 2011 and 2016 by product, market and region. It also evaluates market share and profiles major players.

#2266 01/2008..... \$5100

World Housing

Global housing demand will rise 2.1% yearly through 2011. The fastest unit gains will be in the Africa/Mid-east region (led by Nigeria) and in Mexico, while China will lead growth in value terms. Rural-to-urban migration in developing regions will spur new housing demand to exceed new household formation. This study analyzes the 52.2 million unit global housing industry, with forecasts for 2011 and 2016 by type, region and for 22 national markets. It also considers market environment trends and indicators.

#2270 12/2007..... \$5100

World Insulation

Global consumption of thermal and acoustical insulation will reach 20.2 billion square meters in 2011. Developing Asian countries will continue to lead gains, driven by strong construction and manufacturing activity. Foamed plastic will remain dominant while mineral wool will grow the fastest. This study analyzes the \$26.5 billion world insulation industry with forecasts for 2011 and 2016 presented by material, market, world region and for 46 countries. It also evaluates market share and profiles major producers.

#2202 06/2007..... \$5500

Glass Fibers

US glass fiber demand will reach \$7 billion in 2011. The dominant glass wool fiber sector will grow the fastest, driven by rebounding demand in office and commercial construction and increasing insulation use per structure to improve energy efficiency. Reinforced plastics will present the best opportunities for textile glass fiber. This study analyzes the US glass fiber industry, with forecasts for 2011 and 2016 presented by type and market. It also evaluates company market share and profiles leading competitors.

#2199 05/2007..... \$4400

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