



Hard Surface Flooring

US Industry Study with Forecasts for **2013 & 2018**

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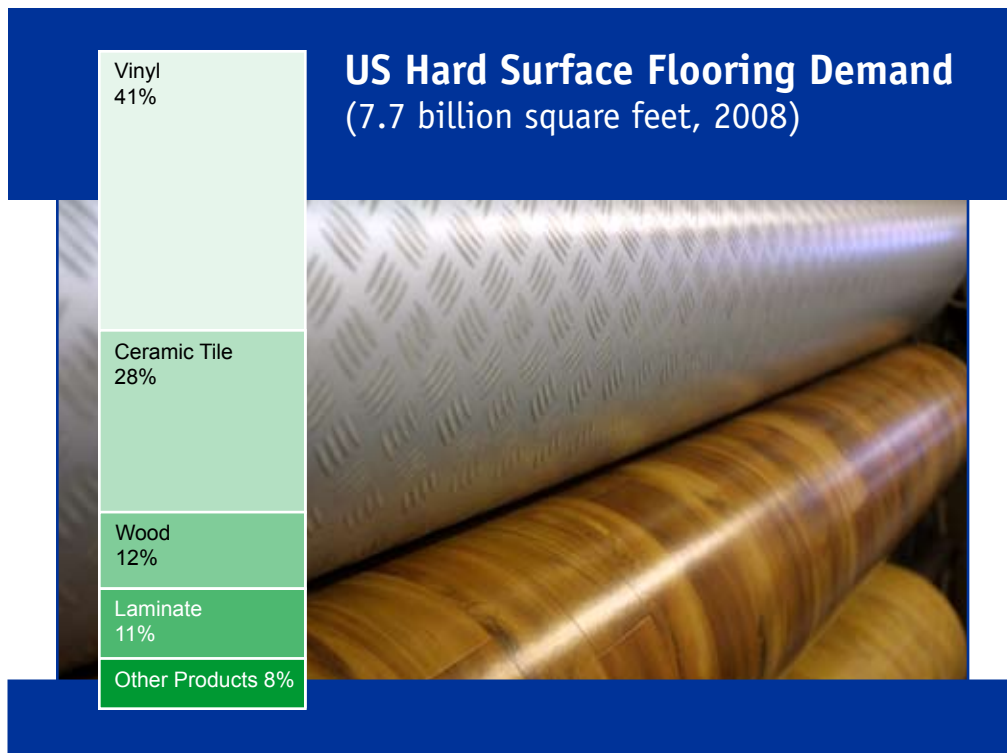
Hard surface flooring is expected to continue gaining market share from carpeting, driven by growing consumer preference for high-end, natural and environmentally responsible products.

US demand to rise 4.6% annually through 2013

Demand for hard surface flooring products in the United States is forecast to increase 4.6 percent annually from a weak 2008 base to 9.6 billion square feet in 2013. Growth will show renewed strength, mostly due to an expected recovery in the economy in general, and in new housing construction in particular. Hard surface flooring is expected to gain market share from carpeting, an ongoing trend for the past decade. Demand will be driven by growing consumer preference for high-end products such as wood, laminates and ceramic tile, as well as increasing interest in natural and environmentally responsible products such as natural stone, engineered wood, linoleum, cork and bamboo. Vinyl will continue to account for a declining share of total hard surface flooring demand, but will remain a major flooring product.

Laminate, wood flooring to offer best opportunities

The greatest growth opportunities through 2013 will continue to be in laminate flooring. However, gains will begin to decelerate relative to the 1998-2008 growth rate, as laminate's market penetration approaches its upper limits. Above average gains will also be posted by wood flooring, particularly engineered wood flooring. Prospects for ceramic tile flooring will match overall growth, while demand for vinyl flooring will lag overall gains. New products, such as bamboo, cork and eucalyptus flooring, as well as



other materials which can present a favorable environmental profile, will continue to enjoy particularly good growth prospects, although they will remain relatively small niche products.

US shipments to expand 5% yearly through 2013

Shipments of hard surface flooring products will expand 5.0 percent per annum through 2013. While the US will remain a major hard surface flooring producer, imports will continue to account for a significant share of the market. This trend is particularly true for ceramic tile, although imports are also important in the laminate and vinyl product segments. Growth in the trade

deficit, however, will slow considerably from the fast pace of the past decade, as US production accelerates and foreign companies set up plants in the US.

The cost of hard surface flooring products is expected to continue to increase through 2013. Price hikes are expected to accelerate for laminate flooring, reflecting reduced imports of lower priced products. In the case of vinyl flooring, however, costs for crude oil (an important raw material in vinyl flooring production) are anticipated to soften from the high levels of 2008, which will alleviate pressure on manufacturers to raise prices. Value gains will be supported by trends toward luxury flooring products such as exotic woods.

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Sample Text, Table & Chart

MARKETS

Residential Buildings

Demand for hard surface flooring materials in residential is projected to increase billion sq ft in 2013. Although improvements will continue to dominate total demand, residential construction will post the faster gains through 2018.

SAMPLE TEXT

Throughout the last few years of the millennium, demand for residential residential benefited from the generally strong housing market and historically low interest rates, which generated not only new housing construction but also very strong sales of existing homes. New homes always require the installation of new flooring, and the sale of existing homes frequently sparks the replacement of old flooring, as these types of projects are considered to be among the most profitable for homeowners looking to sell their homes.

There was also a growing interest throughout this time frame in “flipping” houses; i.e., investors buying homes and fixing them up for quick resale at a profit. Whether the investors did the work themselves or paid professionals to do it, replacing worn out carpeting and hard surface flooring (particularly in the kitchen and bathrooms) became standard procedure for investors looking to make a profit by house flipping.

Finally, the low interest rates prompted many homeowners to refinance their existing mortgages. Many of these homeowners used the savings from refinancing to undertake major remodeling projects, including the replacement of existing carpets and flooring.

The 1998-2008 period also coincided with the introduction of laminate flooring technologies to the US market. Although the total square footage of laminate flooring installed remained relatively small as late as

TABLE IV-11

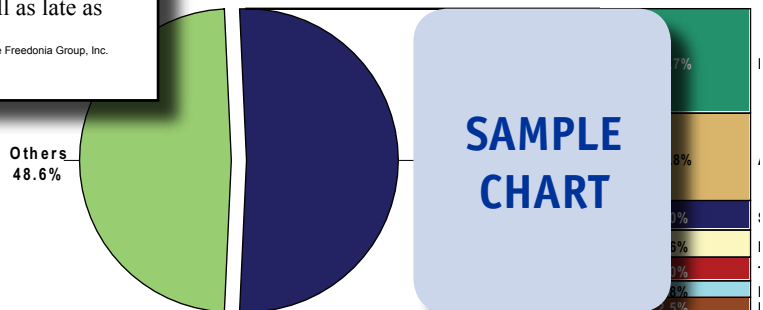
NONRESIDENTIAL IMPROVEMENT & REPAIR DEMAND FOR HARD SURFACE FLOORING (million square feet)

Item	1998	2003	2008	2013	2018
Nonres Building Space (bil sq ft) sq ft floor covering/000 sq ft space					
Nonres I&R Flooring Demand % hard surface					
Nonres I&R Hard Surface Demand					
Office & Commercial					
Institutional					
Industrial					
Other					
% I&R					
Nonres Hard Surface Flooring Demand					

SAMPLE TABLE

CHART V-1

HARD SURFACE FLOORING SALES BY COMPANY, 2008 (\$8.7 billion)



SAMPLE CHART

Sample Profile, Table & Forecast

TABLE III-8
NONRESILIENT FLOORING SUPPLY & DEMAND
 (million square feet)

Item	1998	2003	2008	2013	2018
Hard Surface Flooring Demand	50	50	50	50	50
% nonresilient					
Nonresilient Flooring Demand					
Ceramic Tile					
Wood Flooring					
Laminate Flooring					
Other Nonresilient Flooring					
- net imports					
Nonresilient Flooring Shipments					
\$/sq ft					
Nonresilient Flooring Demand (mil \$)	4	4	4	4	4



COMPANY PROFILES

TOLI Corporation

125, Higashi-Arioka 5-chome
 Itami, Hyogo 664
 Japan
 81-6-6492-1331
<http://www.toli.co.jp>



Sales: \$
 Employe

Key Pro

TOLI Corporation is a manufacturer of vinyl flooring, carpets, and linoleum. The company serves markets such as health care, hospitality, corporate, and residential. The Company also produces related interior finishing products.

TOLI competes in the US hard surface flooring industry through the manufacture and sale of vinyl flooring. Of TOLI's total FY 2008 sales, vinyl chloride-based products, including vinyl tile and sheet flooring, accounted for \$278 million. TOLI has several subsidiaries and facilities in Japan. In the Americas, TOLI sells its products, including several types of vinyl flooring, though a distribution agreement with the TOLI International subsidiary (Commack, New York) of CBC America Corporation (Commack, New York), itself a subsidiary of CBC Group (Japan). Under the terms of the agreement, TOLI International is the exclusive distributor of TOLI Corporation's products in the Americas. TOLI International markets vinyl tile, plank and sheet flooring. Vinyl tiles and planks are sold through the LIGHTSTONE, LIGHTWOOD, LINOTESTA and VIALE collections. Flooring in the LIGHTSTONE

"Demand for solid wood flooring materials is projected to increase 2.5 percent annually to 530 million square feet in 2013, valued at \$810 million. Gains will derive from the recovery of the new housing market from extremely weak 2008 levels, as well as a general economic recovery, which will boost consumption in both residential and nonresidential replacement markets. In addition, ..."

--Section III, pg. 103

OTHER STUDIES

Decorative Laminates

Sales of decorative laminates in the US are forecast to reverse their downward trend and grow 2.1% annually through 2013. Gains will be sparked by increased demand from the flooring industry, while cabinets remain the leading market. The smaller high-pressure laminate segment will outpace the dominant low-pressure overlay market. This study analyzes the \$6.4 billion US decorative laminate industry, with forecasts for 2013 and 2018 by material, product and market. It also evaluates market share and profiles industry players.

#2511 06/2009..... \$4700

Wood & Competitive Decking

Although wood decking demand in the US will be flat through 2013, alternative decking will grow nearly 10% annually. Nevertheless, wood decking will continue to account for the majority of decking demand in volume and value. The residential market will remain dominant as consumers add amenities to their existing decks. This study analyzes the \$4.1 billion US decking industry, with forecasts for 2013 and 2018 by product, market and region. It also evaluates market share and profiles industry players.

#2487 04/2009..... \$4800

Green Building Materials

US "green" building material demand is projected to rise 7.2% yearly through 2013, driven mainly by a recovery of the residential market. Forest Stewardship Council (FSC)-certified lumber and wood panels, water-efficient plumbing fixtures and fittings, and energy-efficient lighting fixtures will grow at double-digit rates. This study analyzes the \$60 billion US green building material industry, with forecasts for 2013 and 2018 by type, market and region. It also considers market environment factors and profiles industry players.

#2459 02/2009..... \$4700

World Cement & Concrete Additives

Global demand for cement and concrete additives will rise 6% yearly through 2012. Gains will be driven by more penetration of chemical and fiber additives in concrete construction, in both emerging markets in Asia and Eastern Europe as well as the more mature cement industry in North America. This study analyzes the \$12.1 billion world cement and concrete additive industry, with forecasts for 2012 and 2017 by type, market, world region and for 26 countries. It also evaluates market share and profiles industry players.

#2425 12/2008..... \$5700

World Flooring & Carpets

World floor covering demand will rise 4% yearly through 2012, driven by nonresidential building construction in less developed areas. Nonresilient flooring will stay the largest product segment and grow the fastest. China will remain the largest national market and account for 43% of total gains. This study analyzes the 12.5 billion square meter world flooring and carpet industry, with forecasts for 2012 and 2017 by product, market, world region and for 32 countries. It also evaluates market share and profiles industry players.

#2417 12/2008..... \$5800

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