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Composite & Plastic Lumber

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

Study #2239 | September 2007 | \$4500 | 320 pages



The Freedonia Group

767 Beta Drive

Cleveland, OH • 44143-2326 • USA

Toll Free US Tel: 800.927.5900 or +1 440.684.9600

Fax: +1 440.646.0484

E-mail: info@freedoniagroup.com

www.freedoniagroup.com

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The cost/performance advantages of composite and plastic lumber, coupled with improved product appearance and ongoing interest in recycled building products, will help drive demand.

US demand to grow 10% annually through 2011

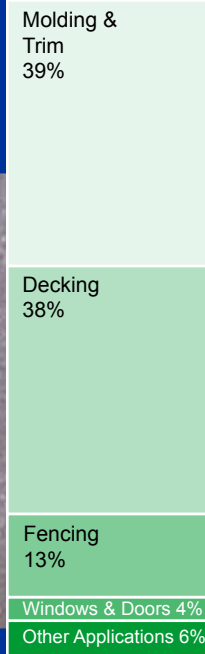
Demand for wood-plastic composite and plastic lumber is projected to advance 10 percent per year through 2011 to \$5.5 billion. These alternative lumber materials are expected to continue to penetrate the building materials market at a rapid pace, particularly in decking applications. Both composite and plastic lumber benefit from their performance characteristics, such as durability, weatherability, low maintenance requirements and low life cycle cost. Demand for these products will also be driven by increasing consumer and contractor familiarity, a widening distribution network and product improvements that enhance appearance. Furthermore, ongoing interest in "green" building products will bolster use of composite and plastic lumber made with recycled content.

Wood-plastic composites to outpace pure plastics

Wood-plastic composite lumber will fare better than plastic types. Demand for wood-plastic composite lumber will grow 14 percent per year, reaching \$2.6 billion in 2011, compared to a seven percent growth rate for plastic lumber. Composite lumber growth will be fueled primarily by strong demand for the material in decking, which is by far the largest application for composite lumber. Rapid expansion in window and door applications, as well as in smaller niche applications (e.g., porches, site and leisure

US Wood-Plastic Composite & Plastic Lumber Demand

(\$3.4 billion, 2006)



furniture), will also boost demand. Growth in demand for plastic lumber will decelerate from the 2001 to 2006 rate, a result of direct competition from wood-plastic lumber. Significant applications for plastic lumber include molding and trim, as well as fencing and decking.

Decking, windows and doors to lead market gains

Window and door applications are anticipated to post the fastest gains through 2011. This small segment is making inroads because of its lower maintenance requirements, durability in exterior applications and similarities to wood. The large decking segment will continue to see strong gains, and will be

the largest end use for composite and plastic lumber by 2011. Molding and trim will also remain a key market, but will see below-average growth through 2011. Increasing market maturity in the plastic lumber segment will limit growth, as will a weak new housing environment. Fencing applications will see strong, although below-average, gains due to increasing maturity in the plastic lumber segment. All other applications are projected to see rapid growth from small bases. Playground equipment and site and leisure furniture applications are expected to see the fastest gains through 2011, driven by the environmentally friendly profile of composite and plastic lumber, as well as their performance and maintenance characteristics.

Sample Text, Table & Chart

APPLICATIONS

Wood-Plastic Composite & Plastic Fencing

Demand for wood-plastic composite and plastic fencing to grow through 2011 by 10 million plastic and composite fencing share at the expense of wood and composite of the fencing percent, up from nearly 10 percent composite materials can be used with advantages in reducing cost. In addition to the performance these materials will continue to property owners alike become more familiar with the producting availability of plastic and wood-composite fencing materials box stores will aid demand.

Visual and texture advances, which enhance the metal and wood-like appearances of plastic and wood-plastic composite fencing, will benefit demand, as will a broader range of colors. Furthermore, solid residential improvement and repair spending through 2011 will support replacement of wood and metal fences with lower-maintenance plastic and wood-plastic composite materials. A recovery in nonresidential construction spending over the forecast period will also bolster use of plastic and wood-plastic composite fencing. Ongoing use of plastic and composite fencing in the agricultural market to replace metal and wood fencing will also aid demand for plastic and composite fencing over the forecast period.

Despite these positive factors, plastic and wood-plastic composite fencing face several restraining factors through 2011. For instance, their higher initial cost is often a deterrent to consumers. Additionally, a weak new residential housing market will limit use over the forecast period. In security applications, plastic and wood-plastic composite fencing do not

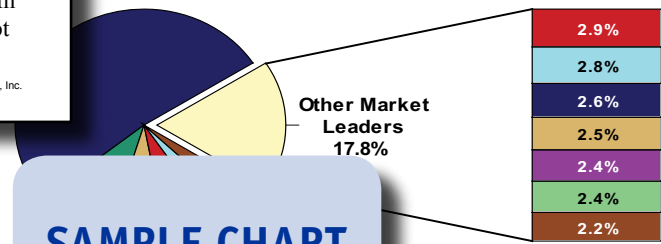
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TABLE IV-10
PLASTIC DECKING DEMAND BY FUNCTION & MARKET
 (million lineal feet)

Item	1996	2001	2006	2011	2016
Decking Demand	2,000	2,200	2,500	2,800	3,200
% plastic	10	12	15	18	22
Plastic Decking Demand	200	264	375	504	704
By Function:					
Boards	150	198	275	360	496
Rails & Accessories	50	66	100	144	208
By Market:					
Residential Buildings	100	132	187	240	320
Nonresidential Buildings	50	66	100	144	208
Nonbuilding Construction	0	0	0	0	0
\$/In ft	8	10	15	20	28
Plastic Decking Demand (mil \$)	1,600	2,640	5,625	10,080	19,712
% plastic	4	6	10	15	22
WPC & Plastic Decking (mil \$)	72	132	275	420	608

CHART VI-1
WOOD-PLASTIC COMPOSITE & PLASTIC LUMBER
MARKET SHARE, 2006
 (\$3.4 billion)

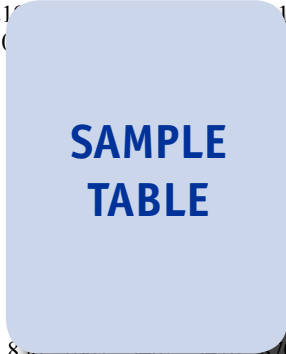


* In July 2007, L-P agreed to divest its composite decking business to Fiber Composites.

Sample Profile, Table & Forecast

TABLE V-10
NONRESIDENTIAL WOOD-PLASTIC COMPOSITE & PLASTIC LUMBER DEMAND BY MATERIAL TYPE & USE (million dollars)

Item	1996	2001	2006	2011	2016
Nonresidential Construction (bil \$)	210	215	220	225	230
\$ lumber/000\$ construction	100	105	110	115	120
Nonresidential WPC & Plastic Lumber				40	95
By Material Type:					
Wood-Plastic Composite				45	95
Plastic					
By Use:					
New				40	90
Improvement & Repair					
% nonresidential WPC & Plastic Lumber Demand				17	100



COMPANY PROFILES

Correct Building Products LLC

Eight Morin Street
 Biddeford, ME 04005
 207-284-5600
<http://www.correctbuilding.com>

Annual Sales:
 Employment:

Key Products: decking, docking, railing and decking



Correct Building Products is a producer of polypropylene-based composite decking, docking, railing, and window and door profiles. The Company is privately held.

The Company participates in the composite and plastic lumber industry through the production of composite decking material. The Company's products are manufactured from 60-percent recycled hardwood sawdust and 40-percent polypropylene at a plant in Biddeford, Maine. According to the Company, Correct Building Products uses more than 300 tons of sawdust per week. The Company markets its products under the CORRECTDECK, CORRECTDECK CX, CORRECTDOCK, CORRECTDECK RAPIDRAIL and CORRECTDECK RAPIDRAIL CX brand names.

CORRECTDECK decking features a scratch-resistant, woodgrain finish and is available in cedar, coastal gray, mahogany and acacia colors. The decking is available in 7/8-by-5-1/2-inch and 7/8-by-3-1/3-inch dimensions and in 12-, 16- and 20-foot lengths. CORRECTDECK CX decking incorporates MICROBAN antimicrobial protection from Microban International Limited (Huntersville, North Carolina) and features a co-extruded layer that encapsulates and preserves the wood fibers, thereby reducing fading and staining. This decking is

"Demand for wood-plastic composite and plastic lumber in new nonresidential buildings is forecast to rise 13.5 percent per year through 2011 to \$145 million. Advances will be driven by strong new construction spending. Alternative lumber materials will continue to benefit from their favorable performance characteristics such as high durability, low maintenance requirements and slip resistance. Despite outpacing the overall nonresidential composite and plastic lumber market, new construction will continue to account for ..."
 --Section V, pg. 185

OTHER STUDIES

Wood & Competitive Decking

US demand for decking will reach 3.6 billion lineal feet by 2011, supported by solid residential improvement and repair activity. Alternative decking materials such as wood-plastic composite and plastic will continue to lead gains, further supplanting wood. Tropical hardwoods will grow the fastest in the wood decking segment. This study analyzes the \$4.6 billion US decking industry, with forecasts given for 2011 and 2016 by product, market and region. It also evaluates market share and profiles major players.
 #2222 07/2007..... \$4500

Outdoor Furniture & Grills

US demand for outdoor furniture and grills will grow 4% yearly through 2011. Demand will benefit from the increasing popularity of patios, porches and decks, and from lifestyle trends such as "cocooning" and "outdoor rooms". Patio heating products will lead gains, followed by the much larger grill segment. This study analyzes the \$6.2 billion US outdoor furniture and grill industry, with forecasts for 2011 and 2016 by product, market and region. It also evaluates market share and profiles major players.
 #2221 09/2007..... \$4400

Hard Surface Flooring

US demand for hard surface flooring will grow 3.9% annually through 2011. Gains will be driven by growing consumer preference for high-end flooring like wood, laminates and ceramic tile, as well as growing interest in natural products such as natural stone, engineered wood, linoleum, cork and bamboo. This study analyzes the 9.9 billion square foot US hard surface flooring market, with forecasts for 2011 and 2016 presented by product and market. The study also details market share and profiles major firms.
 #2209 06/2007..... \$4400

Decorative Laminates

US sales of decorative laminates will grow 3.8% annually through 2011, driven by increased demand for laminate flooring, store fixtures and wall panels. Decorative foils and saturated papers will pace the dominant low-pressure laminate segment, while high-pressure laminates will lead gains. This study analyzes the US decorative laminate industry, with forecasts for 2011 and 2016 given by raw material, production process, product and market. It also evaluates company market share and profiles major firms.
 #2203 06/2007..... \$4400

Windows & Doors

US window and door demand will grow 3.3% annually through 2010. The residential market will remain dominant, with the home improvement and repair segment leading gains. The nonresidential building market will grow the fastest. Plastic windows and doors will continue supplanting wood and metal products. This study analyzes the \$3.1 billion US window and door industry to 2010 and 2015 by material, market and region. It also evaluates company market share and profiles leading competitors.
 #2144 01/2007..... \$4500

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