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PRESS RELEASE

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GLOBAL PRODUCTION OF SPRAY POLYURETHANE FOAMS (SPF) AND ONE COMPONENT FOAM (OCF)

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This new report provides a global overview of the supply and demand for 2K spray polyurethane foam (SPF) and one component foam (OCF) supplied in aerosol cans. The report builds upon IAL Consultants' ongoing research into both the polyurethane and thermal insulation markets and provides data for 2007 and 2012 for each major geographic region.

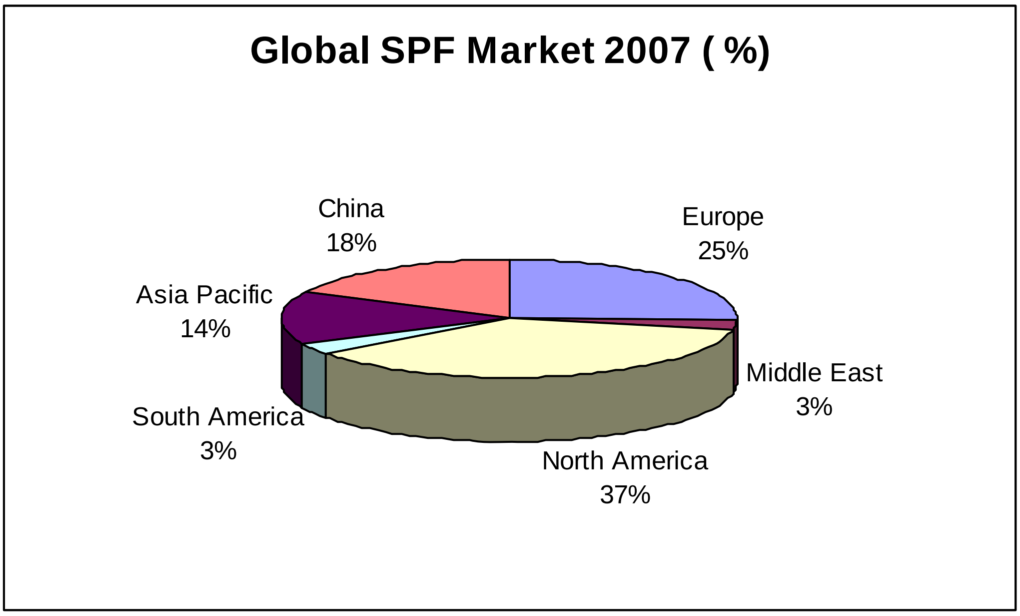
Total global production of SPF in 2007 is reported to be just over 409,000 tonnes, of which the largest market remains the US, followed by China, Spain and then Japan. These four markets represent 70% of the total demand for SPF. The importance of these markets appears to be due to a number of factors including:

- Favourable climatic conditions – spray foams cannot be applied in damp, cold or windy conditions; the " spray season" is therefore much longer in Southern US and Spain.

- Availability of an established network of trained spray contractors – some SPF formulators have exited the market following problems with unreliable or inexperienced contractors, whereas other markets have a well-established network of training facilities and specialist spray contractors.

- Building methods – the US construction industry uses large areas of flat roofing for commercial buildings which can easily be insulated and weatherproofed with a coating of spray foam and silicone top coat. Renovation with SPF is also more cost-effective than with tiles or panels.

- Labour costs – the application of spray foam is much faster than using a team if roofers, which becomes more attractive if labour rates are high.



In addition, the need for greater insulation, better energy efficiency, the need to meet new building regulations, good air quality and a more comfortable living environment is also helping to increase interest in the use of this material. Demand is expected to increase by a global average of 9.8% per year between 2007 and 2012, creating a potential market of nearly 654,000 tonnes by 2012. Much of this growth is dependent upon the continued use of SPF in China, as a means of meeting tough new legislation introduced to reduce energy consumption, a recovery of the Spanish house-building industry and the growing awareness of the benefit of SPF as an effective insulation material in the US residential market.

Forecast Growth Rates for SPF by Region, 2007-2012 (% AAGR)

Region	**AAGR (%)**
Western Europe	3.0
Eastern Europe	7.6
Middle East & Africa	5.4
North America	10.6
South America	9.0
Asia Pacific (excl China)	7.3
China	17.3
Global Average	**9.8**

The report provides production statistics and raw material breakdown for 50 separate national SPF markets. A market breakdown by wall, roofing, industrial and cold storage is also provided in the market review section.

Global production of OCF aerosol cans reached a record level of 395.5 million during 2007, with production expected to exceed 500 million within the next five years. Growth is mainly due to trends in the adhesive and sealant industry rather than the polyurethane industry. Demand from the construction industry varies from region to region depending upon construction techniques, skill levels and labour costs. Global production is dominated by European manufacturers, although Chinese companies claim to be catching up fast. Some 273 million cans (70%) of global production originates from just 11 manufacturers, six of whom are European.

The report also provides production data for 23 countries as well as an estimated supply and demand balance for these cans.

A short review of raw material usage and a technical background is included along the details of 165 producers of spray foam and OCF listed in the directory. In addition, short profiles of the following leading market participants are included:

- *Achilles Corporation*
- *BASF Polyurethane Foam Enterprises LLC*
- *BaySystems*
- *Dow Chemical*
- *Demilec LLC*
- *FLM Group*
- *Icynene*
- *Henkel Makroflex*
- *North Carolina Foam Industries*
- *Plasfi Grupo*
- *Selena Group*
- *Soudal NV*
- *Synthesia Espanola*

More information and an order form are available from:

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