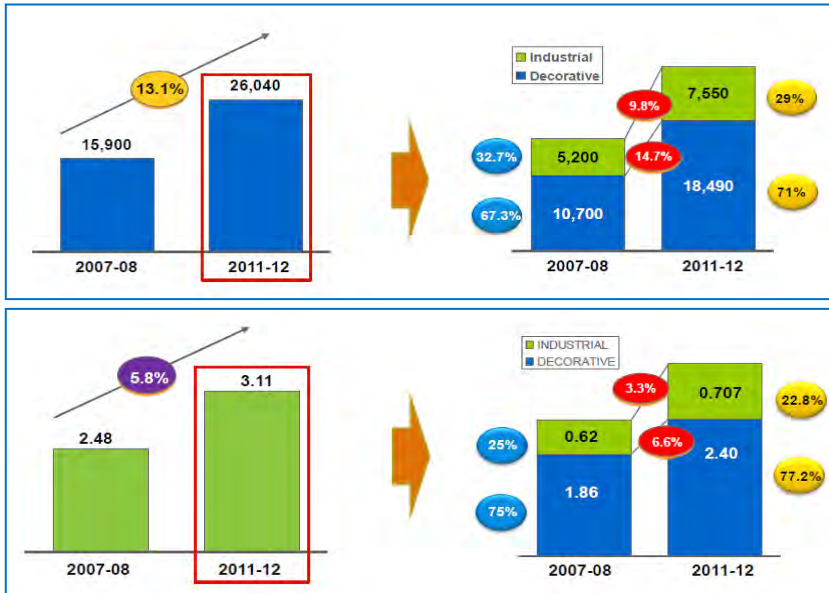


***India Paint Market Survey –
Executive Summary***

E.1 Background

Nielsen had commissioned the Paint Market Survey during the period of October to December 2012; during the process of survey overall 5247 interviews were done across India and among different stakeholders such as manufacturers, industrial end users, channel partners etc.

E.2 Paint Market Size FY 2011-12 & Key Trends



Overall paint market is estimated at INR 26,040 Cr. for FY 2011-12

Share of decorative paint is INR 18,490 Cr. (71%) and share of industrial paint is INR 7,550 Cr. (29%)

In terms of volume overall paint market is pegged at 3.11 Million MT, share of decorative is 2.40 (77.2%) and industrial 0.707 (22.8%) Million MT

Per Capita consumption of paint is estimated at 2.57 Kgs. for FY 2011-12

Excise duty collection for Paints for year 2011-12 (Chapter 3208) was INR 2229.7 Cr.

E.3 Decorative paint market - is estimated at INR 18,490 Cr. for FY 2011-12

- Exterior and Interior emulsion together account for 37.1%
- Enamels account for 28.1%, primer and thinner – 12%, distemper – 11.7%
- In terms of growth rate, high growth witnessed for Exterior emulsion, Interior Emulsion, Wood Coatings in comparison to 2007-08
- Water based paints account for 52% and solvent based paints account for 48% (value terms)

E.4 Industrial paint market - is estimated at INR 7,550 Cr. for FY 2011-12

- Auto OEM Paints and protective coatings together account for 47.4%
- Auto refinish paints account for 14.6%, GI paints – 10.7%, powder coatings – 10.4%
- In terms of growth rate, high growth witnessed for Auto OEM, Protective, Powder coating and Auto refinish paints in comparison to 2007-08
- Water based paints account for 5%, solvent based paints 85%, solventless 10% (value terms)

E.5 Consumer and Trade Market Insights

- Emulsions market is the fastest moving category amongst the various categories that were considered. Within Emulsions, the future is moving towards the Popular segment and for Enamels, movement is towards 1st Grade Synthetic Enamel segment
- The contribution of B2B business decreases for retailers and wholesalers as we move from Metros to the relatively smaller towns of Tiers 1, 2 and 3

E.6 Future Market Projections for Paint Industry

- Paint market has strong co-relation with economic indicators and industry growth. For arriving at the future market estimates factors such as GDP, IIP, Auto Sector Growth, GCF (Gross capital formation), Realty and Construction sector growth were considered

- Paint market is expected to reach INR 49,545 Cr. by 2016-17 (CAGR 13.73%)
- In terms of value comparison with year 2007-08 decorative paint market registered a CAGR of 14.7% & industrial - 9.8%. In terms of volume comparison with year 2007-08 decorative paint market registered a CAGR of 6.6% and industrial 3.3%