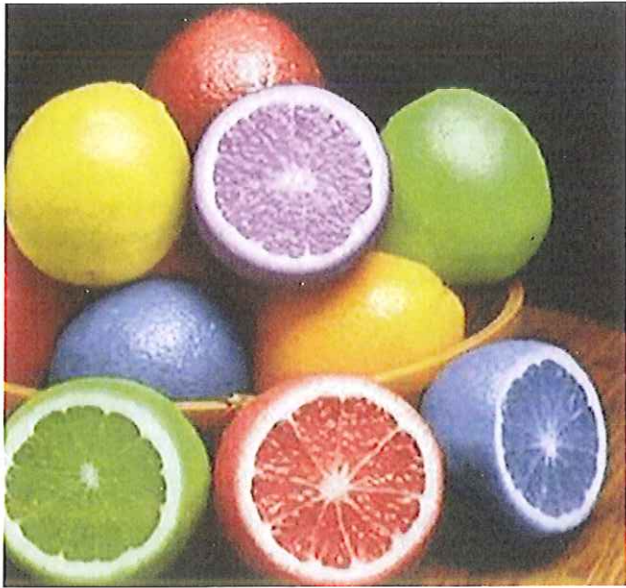


The Business of Paint & Coatings in ILLINOIS



Facts About the Industry

When we talk about paint and coatings, we are not referring solely to paint used to cover walls in your home. Enamels, primers, undercoats, stains, varnishes, industrial coatings, specialty coatings, aerosol paint, caulks, sealants and adhesives are all coatings.

The U.S. paint and coatings industry includes manufacturers, raw materials suppliers and distributors. Raw materials for paints and coatings are derived not only from fossil fuels and minerals but also from natural products, such as clays, tree saps and vegetable oils. Petrochemicals are still among the most critical raw material, and the industry is seriously affected by petrochemical shortages and price fluctuations.

The manufacture of paints and coatings may be a small industry in the United States as compared with other industries; but most of the manufacturing activity occurs in the U.S. Manufacturing facilities are in urban areas like Chicago, Cleveland and Louisville, as well as in Northern New Jersey, throughout California, Florida, and Washington state.

The \$28.0 billion industry is made up of roughly 800 companies. The top 10 paint companies, ranging in annual sales from \$700 million to over \$3 billion, represent about 70 percent of the U.S. market, or about \$19.6 billion.

The next largest paint companies, ranging in sales from \$100 million to \$700 million, represent about 10 percent of the market or nearly \$2.8 billion. The remaining paint companies compete for the 20 percent balance of the market, or approximately \$5.6 billion.

Although many of the larger companies are publicly held, many — if not most — of the remaining smaller manufacturing companies are privately held and/or family businesses.

Direct Employment:	12,420
Rank among states:	#6
Establishments:	2,503
Rank among states:	#4
Average Wage:	\$56,065
Payroll:	\$696.3 million
Rank among states:	#4
Foreign Exports:	\$298.3 million
Rank among states:	#1

A number of major paint manufacturers have facilities in Illinois including True Value, Valspar, Sherwin Williams, AkzoNobel, Benjamin Moore and Rust-Oleum.

Illinois is the "Aerosol Capitol of the World." More aerosol products are manufactured in Illinois than anywhere in the world.

Spray Paint was invented in Chicago, Illinois in 1949 by Seymour of Sycamore. Ironically, the City of Chicago banned the retail sale of spray paint in 1993. The ban is still in effect.