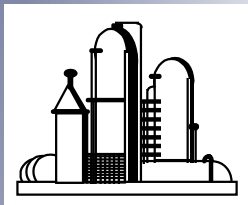


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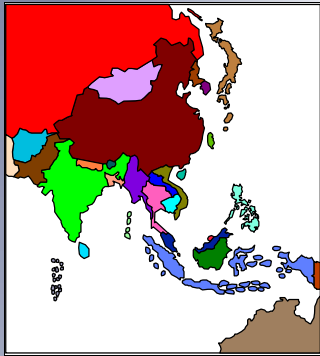


METALWORKING FLUIDS ASIA-PACIFIC, 1997

**VOLUME III
IN KLINE & COMPANY'S CONTINUING
ANALYSIS OF THE GLOBAL
METALWORKING FLUIDS BUSINESS**

**The first syndicated analysis ever
conducted on this fast growing industry,
defining the market dynamics and
competitive environment for
metalworking fluids.**





Economists continue to forecast encouraging economic performance for the Asia-Pacific region as a whole and strong growth in several Asia-Pacific countries during 1997 and beyond. Examples of several promising regional growth areas include India, Malaysia, the Philippines, and Vietnam. Economic reform and social advances are creating opportunities for foreign companies in India. Political stability and aggressive government initiatives are attracting investments to Malaysia. President Ramos' programs and policies to build and sustain economic prosperity in the Philippines are coming to fruition. Vietnam's economy is running hot with foreign investments and the country's booming economy is drawing heavy imports of capital goods, parts, and raw materials.

The growth rate for China, Korea, Taiwan, Hong Kong, Singapore, and the members of the Association of Southeast Asian Nations (ASEAN), including Thailand, Malaysia, Indonesia, and the Philippines, continues to average around 8% a year. This growth is fueled by rapidly rising domestic demand for consumer goods and the relocation of manufacturing activities for exports to the region and the rest of the world. Increased manufacturing activity is being driven primarily by foreign investment seeking to take advantage of lower production costs and to replace imports.

In the Asia-Pacific region excluding Japan, nearly 6 million cars and trucks are already produced annually. In addition, such companies as General Motors (GM), BMW, and Ford announced plans for new factories in China, India, and Thailand, respectively.

The robust growth in the Asia-Pacific region continues to open up significant opportunities for metalworking industries and suppliers of raw material to these industries. Capitalizing on the opportunities in this region requires a solid understanding of such issues as macro economics, political stability, industry growth, barriers to entry, bargaining power of customers, bargaining power of suppliers, and other regional supply and demand issues. ***METALWORKING FLUIDS ASIA-PACIFIC, 1997*** is specifically designed to address the impact of these issues on the metalworking industries and their suppliers. It will provide subscribers with the information and insights required to enter or expand their business in the Asia-Pacific region. The study will focus specifically on business opportunities for metalworking fluids by country.

TENTATIVE OUTLINE

1. EXECUTIVE SUMMARY

2. COUNTRIES

- China
- India
- South Korea
- Taiwan
- Southeast Asia
 - Indonesia
 - Malaysia
 - The Philippines
- Thailand

3. SUPPLIERS

- Overview
- Majors
- Minors

4. PRODUCTS

- Removal fluid
- Forming fluid
- Treating fluid
- Protecting fluid

5. APPRAISAL AND OPPORTUNITIES

METALWORKING FLUIDS ASIA- PACIFIC, 1997

THE REPORT

METALWORKING FLUIDS ASIA-PACIFIC, 1997 is specifically designed to provide subscribers with an accurate and independent appraisal of business aspects and opportunities in existing and emerging metalworking fluid markets in the Asia-Pacific region. Although the focus of the study is on identification of opportunities, it will also provide information and insights into market size, segmentation, and market and product developments and trends.

Another important feature of the study is the more than 20 profiles on leading metalworking fluid suppliers in the Asia-Pacific region. The region-specific profiles provide an excellent resource to evaluate competitive forces and explore acquisition opportunities.

A tentative outline for the report is shown on the previous page.

SCOPE

The study focuses specifically on metalworking fluids, including removal fluids, forming fluids, treating fluids, and protecting fluids. Geographic coverage includes the countries listed in Section II.

Analysis of the Japanese market is specifically excluded from this study due to the different nature of this market and its high barriers to entry. Interviews will, however, be conducted with original equipment manufacturers (OEMs) in Japan, specifically Japanese-based OEMs that influence purchasing practices and supplier selection for metalworking fluids at their other facilities in the Asia-Pacific region.

OBJECTIVE

Provide subscribers with an accurate and independent appraisal of business opportunities in the existing and emerging metalworking fluid markets in the Asia-Pacific region. The focus will be on opportunities across the region.

Section 1 - Executive summary.

Provides a concise summary of supply, demand, supply demand balance, market developments, outlook, and other significant issues impacting the metalworking fluids market in the Asia-Pacific region.

Section 2 - Country profiles. This section opens with an overview analysis of metalworking fluid consumption and opportunities in the Asia-Pacific region. The overview includes a country-by-country ranking of consumption and opportunities. Opportunities for each country will be assessed in the areas of: (1) volume; (2) growth; and (3) technology.

In addition to providing an aggregate view of metalworking fluid consumption in the Asia-Pacific region, this section will feature profiles on eight major countries. The countries profiled are shown below:

- China
- India
- Korea
- Taiwan
- Indonesia
- Malaysia
- The Philippines
- Thailand

Important opportunities for metalworking fluid suppliers that may be emerging in other Asia-Pacific countries will also be described in the business appraisal and opportunities section.

Each country profile in **METALWORKING FLUIDS ASIA-PACIFIC, 1997** will focus on providing an assessment of market size and segmentation and business opportunities for metalworking fluids. In addition, each country profile will include a discussion on macro economic drivers, issues associated with successfully conducting business in the country, and the leading end-use industries for metalworking fluids. The end-use industries profiled will be selected based on an opportunities assessment. Although the number and type of end-use industries included in a country profile will vary by country, end-use industries that will be screened include:

- **Transportation equipment**
- **Primary metals (primary ferrous and primary aluminum)**
- **Machinery**
- **Others (fabricated metal products, metal cans, electrical equipment, and others)**

A tentative list of subsections included in each country profile is shown in Table 1.

Section 3 - Supplier profiles.

Understanding the competition is basic to growing your business and benchmarking business activity. This is particularly important in the metalworking fluids business where suppliers tend to penetrate new markets through acquisitions and joint ventures and, specifically in the Asia-Pacific region, where new markets are rapidly emerging and supplier market shares, strategies, and tactics are very dynamic.

The supplier profiles in **METALWORKING FLUIDS ASIA-PACIFIC, 1997** will provide subscribers with an excellent resource to sharpen their awareness of the position of other suppliers in the Asia-Pacific region and leverage this understanding to assess business opportunities and develop sound business strategies.

The study will profile the Asia-Pacific activities of approximately 20 of the leading metalworking fluid suppliers in the Asia-Pacific region. In addition, it will include company overviews (brief profiles) for other important suppliers. A tentative outline for the leading supplier profiles is shown below:

- **Overview**
- **Location and manufacturing facilities**
- **Products**
- **Estimated sales**
- **Staffing**
- **Business appraisal**

Section 4 - Products. Metalworking fluids comprise four major product categories, covering a wide range of metalworking applications. The four major product categories featured in this study include: (1) removal fluid, frequently referred to as coolant; (2) forming fluid; (3) protecting fluid; and (4) treating fluid. Typical applications for the fluids are shown below:

In addition to providing aggregate consumption of metalworking fluids in the Asia-Pacific region, this section will detail consumption by fluid type (removal, forming, treating, and

protecting). Trends affecting consumption will also be presented in this section, including such issues as waste disposal, health and safety, additive chemistries, use of water-miscible products, and others that impact either the volume or value of fluids used.

A tentative list of subsections included in Section 4 - Products is shown below:

- **Introduction**
- **Consumption**
- **Major suppliers**
- **Trends**
- **Forecast**
- **Appraisal and opportunities**

Category	Application
Removal fluid	Cutting, grinding, and
Forming fluid	Rolling, drawing, stamping, forging
Protecting fluid	Corrosion and oxidation protection
Treating fluid	Quenching, tempering

Table 1

TENTATIVE LIST OF SUBSECTIONS INCLUDED IN EACH COUNTRY PROFILE

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. INTRODUCTION 2. MACRO ECONOMICS 3. BUSINESS PRACTICES 4. METALWORKING FLUID CONSUMPTION (IN AS MUCH DETAIL AS FEASIBLE) <ul style="list-style-type: none"> — Removal fluid — Forming fluid — Treating fluid — Protecting fluid | <ol style="list-style-type: none"> 5. LEADING END-USE INDUSTRIES <ul style="list-style-type: none"> — Industry structure and size — Estimated metalworking fluid consumption — Industry trends — Opportunities assessment 6. SUPPLIERS 7. FORECAST 8. APPRAISAL AND OPPORTUNITIES |
|---|--|

Section 5 - Appraisal and

Opportunities. Considered the business end of the report, this section will provide a concise analysis of business aspects and outline where the opportunities are for metalworking fluid suppliers in the Asia-Pacific region. It will allow subscribers to quickly focus in on countries and products that offer a good fit with their business plans and objectives.

The section will comprise three major subsections, as follows:

- **Volume opportunities**
- **Growth opportunities**
- **Technology opportunities**

THE APPROACH

The overall survey and analysis will be completed by a team of experienced professionals on the Kline Group's staff. While the staff will draw heavily on their backgrounds and prior experience in the metalworking fluids business, major emphasis will be placed on primary data gathered through personal interviews. These interviews will be a mix of field and phone contacts with suppliers, end users, and other knowledgeable industry contacts.

Although primary research is by far the leading source of information and insights provided in **METALWORKING FLUIDS**

ASIA- PACIFIC, 1997, the analysis is supplemented by secondary research. This secondary research includes: (1) a review of supplier's product literature; (2) a search of recent trade and technical literature; and (3) an analysis of statistical data and other sources of published information.

DELIVERABLE AND TENTATIVE SCHEDULE

Subscriptions include three copies of the finished report and telephone consultation privileges within the scope of the study. The consultation can be used to discuss the report in additional detail.

Provided that a sufficient number of charter subscribers is received by August 15, 1997, the report will be delivered at the end of the first quarter of 1998.

KLINE GROUP CREDENTIALS

The Kline Group is the leading business research firm serving the oil, gas, petrochemical, and related chemical-based industries, with principal offices in the United States, Belgium, Japan, Australia, Singapore, China, Mexico, and Brazil. Since its inception in 1959, Kline has completed over 4,000 proprietary assignments and nearly 150 syndicated studies.

Kline's Petroleum Products Practice leverages over 60 years of combined experience in the petroleum, lubricant, and chemical industries to assist clients in a wide range of proprietary assignments, including:

- **Business appraisals**
- **Competitive intelligence**
- **Customer satisfaction**
- **Manufacturing economics**
- **Market analysis**
- **Mergers and acquisitions**
- **Strategy development**
- **Technology assessment**

In addition, the Kline Group has been active in the Asia-Pacific region since 1980 and has accumulated significant experience and expertise in the execution of both proprietary assignments and syndicated studies throughout the Asia-Pacific countries.

Specific to this proposed study, Kline has conducted numerous proprietary assignments in the metalworking fluids industry. The company also possesses a substantial database on this industry through several syndicated studies completed by the Petroleum Products Practice and other Kline groups during the last decade, including:

- THE EMERGENCE OF CHEMICAL MANAGEMENT IN METALWORKING INDUSTRIES, 1996
- METALWORKING FLUIDS - EUROPE, 1995
- METALWORKING FLUIDS - USA, 1994
- OPPORTUNITIES IN LUBRICANTS - USA (ANNUALLY SINCE 1984)
- LUBRICANT AND FUEL ADDITIVES 1994 AND 1990
- INDUSTRIAL OILS AND FUNCTIONAL FLUIDS 1982 AND 1977
- THE OUTLOOK FOR PETROLEUM WAXES 1990 AND 1985
- SPECIALTY BIOCIDES USA 1988, 1984, AND 1979 (METALWORKING FLUIDS SECTION)
- SPECIALTY SURFACTANTS USA 1993

METALWORKING FLUIDS ASIA-PACIFIC, 1997

Please enter our subscription to your comprehensive study *METALWORKING FLUIDS ASIA-PACIFIC, 1997*. This subscription includes three copies of the finished report and one day of telephone consultation time within the scope of the study. Additional copies of the report will be available for a nominal fee.

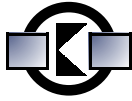
To protect our investment in this report and that of other subscribers, we agree that for a period of three years after its date of issue we will: (1) refrain from reproducing or copying this report in whole or in part by any means; (2) restrict its circulation to our own employees; and (3) use all reasonable precautions to prevent the disclosure of its contents to any other persons or organizations. We may, however, make this report available to any subsidiary company in which we hold more than half interest or to any parent company that holds more than a half interest in our firm. We may also use or disclose any information in this report that is public knowledge, that was already in our possession before receipt of the report, or that comes to us from third parties independently of this report.

Kline & Company, Inc. similarly agrees that it will use all reasonable precautions to prevent the disclosure of the contents of this report to any persons or organizations other than subscribers for three years after its date of issue.

We understand that the study *METALWORKING FLUIDS ASIA-PACIFIC, 1997* is available only by subscription and that the price of the study is \$4,000 (U.S. funds). Kline will invoice us immediately for the full amount and we will pay this invoice within 30 days of receipt. We understand that if a sufficient number of charter subscribers is not obtained, the study will be canceled before an invoice is submitted.

Please indicate Kline & Company's acceptance of this agreement by countersigning it and returning a copy for our files.

ACCEPTED	KLING & COMPANY, INC	COMPANY
SIGNATURE		SIGNATURE
NAME		NAME
TITLE		TITLE
DATE		DATE
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TITLE		TITLE
ADDRESS		ADDRESS



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