Exterior Stain Line Review
2009
Agenda

• Objective
• Rust-Oleum Team
• Why Wolman?
• Wolman- Marketing Strategy
• Market Review
• Industry/Consumer Review
• Competitive Retailer Review
• Product Review
• Competitive Product Analysis
• Proposed POG
• Advertising & PR
• POP/Merchandising
• Why Wolman?
• Program Proposal
• Pricing
• Price Shop
Objective

– To grow sales & profits with Wolman DuraStain Solid & DuraStain Semi-Transparent product lines.
Rust-Oleum Sales Coverage
Why Wolman?

- Premium Short Line Portfolio
- Focused on Efficacy & Time Saving
- Nationwide VOC Compliancy
- Endorsed by Professionals
- Rust-Oleum Sales Force
- Category Management
- DuraStain Semi-Transparent #1 Ranking
- DuraStain Solid Versatility
Wolman Wood Care Products address Retailer Needs and Customer Desires:

- Our national/regional “program” will provide premium quality, no hassle, user-friendly products for DIY’ers, Remodeler-Tradesmen and the Professional Wood Care Contractor.

- Wolman “Professional Quality ...Guaranteed Performance” products exceed user expectations and deliver on product performance claims.

- The concise yet comprehensive, attention grabbing, segmented-by-label-color shelf presentation simplifies the purchase decision process in a category oversaturated with choices and often confusing to the consumer.

- Labeling and merchandising provides easy, 2-step project description with detailed product use directions - helps generates consumer confidence and inspires trial for increased category sales.
Wolman Marketing Strategy

• Total Immersion into Rust-Oleum DIY Marketing Initiatives
• Investment in Consumer Market Research
• Innovation Platforms for Future Growth
• R&D Wood Care “Center of Excellence”, RPM Wood Finishes
• Partnership Growth through Integrated Communications Programs
Market Review
Exterior Wood Deck & Fence Coating Market

**Market Size:**
- 2007 - $500M; 2012 - $550M

**Market Segmentation:**
- "Sealers" projected to grow 2.6% per year
- "Stains" projected to grow 3.8% per year

**Wood Coatings Demand By Application & End Use ($ millions)**

**Source:** The Freedonia Group Inc.
Market Share

- Olympic: 20%
- Behr: 25%
- Thompasons: 10.5%
- Flood: 20%
- Cabot: 10%
- Other: 12%

*Source: Periscope Store Intercept- Feb. '07
Industry/Consumer Review
## Consumer Barriers to Category

<table>
<thead>
<tr>
<th>Exterior</th>
<th>How to Overcome</th>
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<tr>
<td>Finding the time</td>
<td>• Promote benefits of products that translate to time savings.</td>
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<tr>
<td>Easier to complete projects</td>
<td>• Emphasize &quot;one-step&quot; process on surf prep product labels/lit</td>
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<tr>
<td></td>
<td>• Develop coating packages that serve as applicators too.</td>
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<tr>
<td>Clean-up</td>
<td>• Water-based products = soap/water clean-up – reinforce in communications.</td>
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<tr>
<td></td>
<td>• Develop innovative product “forms” and packaging – cleaner concentrates</td>
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<td></td>
<td>in hose mount applicators, “pump-n-go” coating gallon sprayers, etc.</td>
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<tr>
<td>Cost</td>
<td>• Cleaner “Concentrates” can save considerable project cost -</td>
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<td>stress value, i.e., “compare at $3/gallon vs other brands”</td>
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<td>• Longer color life/durability stains save money over long haul –</td>
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<td>communicate this savings, i.e., “only $X/yr for next 5 years”</td>
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<td>Weather</td>
<td>• Develop lower temp/higher temp (30-100 degree F) coating adhesion</td>
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<td>• Develop faster dry W/B coatings</td>
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<td>• Develop heat resistant/slip resistant stains.</td>
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<tr>
<td>Odors/Fumes</td>
<td>• Communicate “odor free” on W/B coatings</td>
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<tr>
<td>Lack of knowledge</td>
<td>• Update web site with project descriptions/recommendations (Project Planner)</td>
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<tr>
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<td>as source for knowledge.</td>
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<td></td>
<td>• Make products easier to apply and more intuitive to use so that there's</td>
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<tr>
<td></td>
<td>less thought process involved.</td>
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</table>
Market Research

DIY CONSUMER

• Wolman rated highest among competitors for –
  ✓ **Quality Brand** (81%)
  ✓ Long term water damage protection (75%)
  ✓ Long term color retention (68%)

  *Source: Rust-Oleum/Greenhouse Communications 9/05*

PROFESSIONAL CONTRACTOR

• **Product Quality** primary reason for using Wolman

  *Source: Periscope - 2008*
Competitive Retailer Review
Current Distribution
Current Distribution
Current Distribution

- True Value
- Orgill
- Lancaster
- Five Star
- Pacoa
- Paint Sundries Solutions
- Emery-Waterhouse
- Blish-Mize
- Jensen
- Janco
Product Review
DuraStain
Semi-Transparent Stain

- 3/5 YR Performance Guarantee
  - Prevents graying, water damage, and resists peeling & blistering.
- Deeply pigmented, semi-opaque color – more opaque than traditional S/T stains
  - Requires fewer re-coats, retains color longer, resists fading and UV graying of wood.
- Alkyd boosted with acrylic
  - Penetrates like oil, protects like acrylic.
  - Longer durability, scuff resistance on decks.
- Rated #1 S/T stain 6 years in a row by Consumer Reports

Wolman
Wolman® DuraStain®
Solid Color Stain
DuraStain
Solid Color Stain

• 5/15 Yr Performance Guarantee
  – Prevents graying, water damage, and resists peeling & blistering.
• Polyurethane-fortified 100% acrylic.
• Provides superior adhesion and color retention; optimizes durability and long term wear
  – Scuff and scrape resistant finish.
  – Flexible film resists cracking, flaking, peeling.
VOC Nationwide Compliance

- **DuraStain Solid**
  - 80-90 VOC g/l
  - *Nationally Compliant*

- **DuraStain Semi-Transparent**
  - By June 1, 2009
  - <100 VOC g/l
  - *Nationally Compliant*
Competitive Product Analysis
Wolman® DuraStain® Solid Color Stain

Unique Selling Propositions:

- **Adhesion-Maximizing Acrylic**
  - Will last without peeling
  - Outperforms leading brands
Wolman® DuraStain® Solid Color Stain

ASTM Adhesion Testing

- 2 Coats Dry Adhesion
- **DuraStain Solid vs.**
  - Cabot 1806 Solid Decking
  - SW DeckScapes
  - Flood Solid Deck & Fence
- **Stains applied to:**
  - New ACQ PT Pine
  - Cedar Smooth Decking
  - Cedar Rough Sawn Shakes
  - IPE
  - Lowes’ Choice Dek Composite
  - Home Depot Veranda Composite
Wolman® DuraStain® Solid Color Stain

ASTM 2-Coat Dry Adhesion

ACQ PT Pine

5= No Failure; 0= >65% Failure

Cedar Smooth Decking
Wolman® DuraStain® Solid Color Stain

ASTM 2-Coat Dry Adhesion

Cedar Shakes

IPE Exotic Hardwood

5 = No Failure; 0 = >65% Failure
Wolman® DuraStain® Solid Color Stain

ASTM 2-Coat Dry Adhesion

Choice Dek Composite

Veranda Composite

5= No Failure; 0= >65% Failure
Wolman® DuraStain® Solid Color Stain

ASTM 2-Coat Dry Adhesion

Average Score Across All Substrates
Product Comparison
Solid Stain

- Water Base 100% Acrylic reinforced with Urethane
- 22 custom tintable colors
- No Priming required
- Guaranteed 5 years on decks, 15 years on Siding
- Clean-up with Soap & Water
- VOC Content 100 g/l

- 100% Acrylic
- Can be tinted
- No Priming required
- No performance guarantee
- Clean-up with mineral spirits
- VOC Content 250 g/l
Product Comparison
Semi-Transparent Stain

- Water-Base Acrylic/Alkyd Blend
- 2 premix colors + tint base
- Semi-transparent matte finish
- Performance guarantee for 3 years
- VOC Content: 100 g/l (by June 1, 2009)

- Alkyd Resin
- 8 premix colors
- Natural, flat finish
- No performance guarantee
- VOC Content: 550 g/l
Advertising & PR
Consumer Reports

“Deck Stains” Endorsement

DECK STAINS
Clear winners

Ratings: Deck stains

[Image of Consumer Reports magazine page with endorsement for DuraStain by Wolman]
Similarly, Leslie Juhn, category manager for the Wolman brand, has seen recent growth in national sales of composite lumber. “Consumers are choosing wood composites for use in decking and other outdoor surfaces over traditional wood because of the belief that they are maintenance-free and weatherproof,” she said. “But wood composites still need care to keep them looking their best. The use of a solid stain, like Wolman brand Dura-Stain Solid, renews composite wood that’s faded by UV-sun exposure, while giving it a color-rich appearance.”

Wolman Wood Care Products

DuraStain® Semi-Transparent Stain by Wolman™ is now available in a custom tint base formula that gives users even more color options for decks, fences and more. New DuraStain Semi-Transparent Neutral Base can be tinted with universal colorants to create unlimited color options for pastel, medium, and dark tones. The company provides tint formulas for all the major tint colorant systems, as well as a color palette that includes 22 of the most popular outdoor deck and siding colors. This product is for use on all exterior wood surfaces, and is intended to create a long-lasting, richly pigmented, semi-transparent matte finish that resists fading and rebates color longer than traditional neutral semi-transparent finishes. Like DuraStain Semi-Transparent Stain, the new tint base is formulated for superior durability, color longevity, and maximum protection. It features a unique alkyd/acrylic blend that penetrates like oil and protects like acrylic.
Newspapers
1,032 Articles – 46,656,482 Consumer Impressions!

A Beautiful Deck in Two Steps
If time has taken a toll on your deck, leaving it dirty, mildewed, stained, or covered in dust, it’s easy to restore your deck to its natural beauty. Clean and protect your deck to get the most out of it during the spring and summer months. Here’s advice from the experts at Wolman Wood Care Products.

1. Clean the deck thoroughly with a formulized deck cleaner such as Wolman Deck & Fence Brightener. Follow the manufacturer’s instructions. Clean the deck in the spring or summer before mold and algae set in. Use a soft bristle brush or a garden hose with a scrubbing attachment to remove dirt, mud, and algae. After cleaning, use Wolman Wood Brightener or Limewash to restore the natural beauty of your deck. If there is a noticeable buildup of dirt or algae, use a water-based deck cleaner such as Wolman Deck & Fence Brightener. The brightener will remove dirt, mud, and algae from the surface of the deck. Use a soft bristle brush or a garden hose with a scrubbing attachment to remove dirt, mud, and algae from the surface of the deck.

2. Protect the deck from the elements. Use Wolman Wood Care Products to protect the deck from the elements. The products will help prevent water and dirt from entering the wood, which can cause the deck to rot and weaken over time.

Your Deck Needs Summer and Spring Protection

Maintain composite decks in two easy steps
When it comes to deck design and maintenance, choosing the right composite decking is the most important decision you can make. Composite decking is made from recycled plastic and wood fibers, which makes it durable and environmentally friendly. Here are two easy steps to maintain your composite deck:

1. Clean the deck without harming plants. It’s easy to use a pressure washer to clean your composite deck. Make sure to use the right pressure washer and avoid using too much water, which can harm the plants. Use a low-pressure washer to clean the deck.

2. Protect the deck from the elements. Use Wolman Wood Care Products to protect the deck from the elements. The products will help prevent water and dirt from entering the wood, which can cause the deck to rot and weaken over time.

Have a beautiful deck in two steps

Clean deck without harming plants
Q: My composite deck has some weeds growing in the spaces between the boards. How can I clean the deck without harming the plants?
A: There are several ways to clean the deck without harming the plants. One way is to use a pressure washer with a low-pressure setting to clean the deck. This will remove any debris or dirt from the deck without harming the plants.

Another option is to use a deck cleaner that is designed for composite decks. Make sure to follow the manufacturer’s instructions and use the recommended amount of cleaner. Avoid using too much cleaner, which can harm the plants.

Have a beautiful deck in two steps

Protect your deck from the elements
Q: How can I protect my composite deck from the elements?
A: There are several ways to protect your composite deck from the elements. One way is to use a deck sealer or stain. This will help prevent water and dirt from entering the wood, which can cause the deck to rot and weaken over time.

Another option is to use a deck cover. This will help prevent water and dirt from entering the wood, which can cause the deck to rot and weaken over time.

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Wolman Program Proposal
Proposed POG

• 2’ Assortment DuraStain Semi-Transparent and Solid Stain
  • DuraStain S/T
    – Neutral Base
    – Natural Redwood
    – Natural Cedar
    – Chestnut Brown
  • DuraStain Solid
    – Neutral Base
    – White Base
    – Natural Cedar
    – Chestnut Brown
Pricing
Price Shop
## PRICING SURVEY - EXTERIOR WOODCARE

### Store Name
- **Menards**
- **Home Depot**
- **Lowes**
- **Sears Hardware**

### Date: March 2009

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<thead>
<tr>
<th>Item</th>
<th>Size</th>
<th>March 2009 RETAILS</th>
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<tr>
<td>DuraStain S/T - Cape Cod Gray</td>
<td>Gal</td>
<td>$22.99</td>
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<tr>
<td>DuraStain S/T - Cape Cod Gray</td>
<td>Pail</td>
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<tr>
<td>DuraStain S/T - Natural Cedar</td>
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<td>DuraStain S/T - Natural Cedar</td>
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<td>DuraStain S/T - Chestnut Brown</td>
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