

Paint With Pride

**ASTEC**<sup>®</sup>  
· P A I N T S ·



Established 1978

## QUARTERLY REPORT - edition #004

Hello, we have been busy, and no doubt you have seen our adverts in the Sunday Mail and Advertiser for Energy Star<sup>®</sup>. Many new clients also saw them and rang. Although we have been exporting these products, we decided that a January release for South Australia would be better timing. This January was the hottest one in a while and we achieved the desired sales result. Look out for our next advertising campaign.

March was a buzz, with the Festival of Arts, Writers Week, Fringe frivolity, Adelaide Cup, Magic Millions, Adelaide 500, and cultural festivals feeding our senses with performances, music and sights from all over the world. Adelaide embraces these events in such a big way. We provide a friendly welcoming atmosphere and a gorgeous city with every thing at your fingertips ensuring events past and present have huge attendances and great success. We should all be very proud.

I hope you enjoyed it as much as we did!

Our Japanese clients will be visiting in May. Thirty in all will enjoy our wine districts and seaside restaurants.



▲ Some of our Japanese Delegates.

While the bigger manufacturers are fighting strongly for a share of the pie, they are also affected by large overseas companies and market influences. The larger paint companies are commenting on the softening of retail spending, petrol increases driving up the price of raw materials and freight, resulting in pricing increases and heavy competition between them. Flying under the radar is a deliberate strategy for Astec.

Yes, we have been affected and have been absorbing rising costs, but those who have been with us for a while might be surprised to know that we haven't had pricing adjustments since 1997.



▲ Astec Paints Australia Pty Ltd.

The size of our company allows us to respond quickly without the cumbersome and costly mechanisms that exist in large multinational organizations.

There have been no job losses or cutbacks here to meet the bottom line. Despite the market indicators we are posting a healthy, steady growth in all areas; Retail, Trade and Exports.



▲ Products & Services.

I could spend time on serious matters such as retail spending figures and what the construction figures are, or the softening market, but our view is: keep working hard, always put a positive spin on life, and keep releasing new products for an intelligent market that wants to see new developments and innovation.

Things are good at Astec. We wish the same for you.

Yours Faithfully,

Theodora Waters

PS: Please take advantage of our customer service. Ring Lynda, Neil, and myself and we will answer your questions on any of our products and systems on the spot.

We do not believe in pre-recorded reception, we employ people who can empathize, understand, rationalize and give your call the importance it deserves. Your first point of call is Rhonda our outstanding receptionist.

# national



## news

### QLD

Exciting news from QLD to add to our current distributors.

**Astec Insulating Coatings QLD** is a collaboration between Mr. Ken Ashurst and Mr Laurie Gall who have a very strong base with over 40 yrs experience in the reflective coatings industry both in sales and marketing as well as being approved applicators. Initial Energy Star marketing will target the roofing industry as this is their field of expertise, and then expand into the domestic architectural exterior markets.

Response to their initial marketing of Energy Star has been an overwhelming success.

### ACT

Fruitful discussions are underway with a large very experienced group of renderers and painter and decorators extensively covering regional NSW.

### VIC Shepparton

**Mike Bailey's Painting** has expanded to a large resale facility including retail shop front operations and wholesale distributorship. Mike will represent Astec architectural finishes, renders and textures and specialized coatings, including a full colour offering, specializing in Energy Star for country VIC.

Neil Gorman (Sales Manager) will be expanding our representation within the Melbourne metropolitan area.

### NT

Astec has supplied direct to contractors in this state. With the release of Energy Star the excitement in Darwin is now building again. Hence we have several projects due to commence shortly.

### WA

**Note: we would love to have greater representation in WA.**

Contact Neil Gorman, our Accounts Manager, for distribution and retail set up solutions on 0408 094 410.



▲ Telstra Maintenance Huts.



▲ Large Service Station - North Queensland.

# regional



## news

There are many opportunities in the regional areas not to be missed. With the release of Energy Star® range we at Astec have been completely surprised by the level of enquiry from central Australia. This is a largely neglected retail and trade demographic that has sometimes lacked the understanding of manufacturers. The fierce weather conditions require particular product performance. Durability, fading, flaking and peeling are all a direct result of sun damage. Keep the surface temperature down by reflecting the broad spectrum of light and you will have paint that lasts longer, 400 times longer! Large companies spend millions on maintenance of their regional infrastructure.

Outbuildings, sheds, metal roofing and structures, workstations housing engineering and telecommunication equipment will all benefit.

- ▶ Energy Star® will reduce temperatures
- ▶ Will extend maintenance cycles
- ▶ Will protect sensitive equipment from heat damage
- ▶ Will save millions on maintenance
- ▶ Will reduce air-conditioning costs

Stockists in regional areas have already seen the types of applications Energy Star® can be used for and the type of boost to sales that can occur in capturing the previously untapped market of heat reduction. Central regional areas are hot and all structures get hot. The applications are endless.

We see ourselves as providing individual systems and products directly to the trade and builder involved with waterproofing, roofing, etc. We also cater for specialty needs that don't fall under the umbrella of retail paint sales. To those who have increased their product lines to include Energy Star® we know this will be a success story for you, and for those who are new stockists we welcome you and hope you're enjoying your increased GP's.

Energy Star® has created its own impetus and momentum and is now supporting other business structures. Jim's Roofing, Utter Gutter and a group of accredited applicators are benefiting from the increased sales locally and interstate. Astec NSW has expanded in a big way with warehousing facilities and a brand new store front. QLD has always had the Waterproofing Warehouse outlets but will now be joined by a new stockist who will specialize in the Energy Star® range.

Astec has always manufactured and supplied roofing systems at the quality end of the market and wanted to develop

products that are sensitive and modern enough to tap into the environmental platform. Now with clients heightened public awareness of energy consumption and responsible environmental impact we are tapping into a new market where paint is being purchased to fulfil new criteria. Paint now can offer added benefits such as energy savings, reduced temperatures, Dirtguard® technology (self cleaning) and increased performance in the traditional areas of Protection, Longevity, Opacity and Aesthetics (colour and feel).

# energy star®

## ▶▶▶ choose products that make a difference

The Energy Star® range of products were officially launched in Australia this January. Even though they were ready a few months prior to Christmas we felt the marketing would be lost in all the Christmas hype.

The ultimate rationale behind the development of this innovative Energy Star® range of paints, membranes and textures was to produce a dark colour with the heat-reducing qualities of a light colour.

We looked at the global environment and the concerns we all have regarding global warming, the increased demand in energy consumption and the consequential impact this has on our Environment.

Energy Star® reduces surface temperatures enough to lower internal ambient temperature, which reduces air-conditioner running times and the problem of CO2 emissions. We looked at the "Urban Heat Island" phenomena, the impact of heat build-up, and its increased demand on power consumption.

Clients will choose energy efficient products that perform responsibly toward the environment. They will save money on reduced energy usage and with our pricing structure on

these products they will be able to do it without breaking the bank. Enquirers are always surprised to learn that Energy Star® costs no more than any other premium paint finish in the market.

The breakthrough for us, and the paint industry, was to achieve these results with dark colour. All insulating coatings prior to this have been white. We are the only company to offer Infra Red Reflective coatings that reflect fully the invisible part of the spectrum and they work even with dark colour! **The products don't have to be white to work!**

We have always been about developing products that have unique formulations. Ceramic technology and elastomerics were introduced over 15 years ago and with great success.

To further expand these technologies, we wanted to make a paint that not only decorated and protected but also reduced the surface temperature and by doing so reduce the surrounding ambient temperature. If surface temperatures are reduced by more than 20 degrees the internal temperatures are also lowered. Think low slope roofing extension, metal roofing domestic and commercial, west



**Walls & Trim 37 degree day**  
 Standard Nimbus 103° C  
 Energy Star Nimbus 80° C  
 23 degrees Cooler



**Roof on a 37 degree day**  
 Standard Slate Grey 98° C  
 Energy Star Slate Grey 79° C  
 19 degrees Cooler



**Roof on a 37 degree day**  
 Plain Metal roofing 109° C  
 Energy Star Gull Grey 58° C  
 51 degrees Cooler

facing walls, upper storey extensions, any garden structure that's too hot to sit under, concrete tiled roofing and any space that runs an air-conditioner for comfort. Any factory with a metal roof that runs air conditioning for worker comfort will reduce their power consumption by using Energy Star®. In our climate every structure in urban & regional Australia will have a use for Energy Star®.

**The products save energy and money!**



One of the most important developments for us was approval by the Environment Protection Agency to display the Energy Star® Logo. This was in response to extensive testing by the Underwriters Laboratories and the Australian Amdel Laboratories. These test results can be found on the Energy Star Website.

**The products work!**



Sola Radiation Accelerated Weathering tests to (ASTM) standards showed significant advantages in using Energy Star over conventional exterior acrylics.

Energy Star® will last 400 percent longer than conventional paints, the added durability potentially

providing significant cost savings due to longer maintenance cycles and less substrate damage from solar radiation – meaning building exteriors will retain their aesthetic appeal far longer than with conventional paints.

**The products last!**

Many of our stockist have acted and are now stocking Energy Star®.



# export



# update

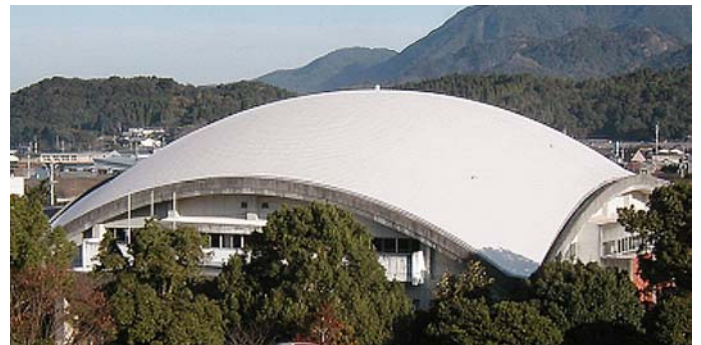
**WE HAVE JAPAN COVERED**

Every year a delegation of distributors and prospective new clients visit from Japan. The principal Mr Toru Sugahara is coordinating a group of 30 for their next trip in early May.

Their itinerary will include current waterproofing and architectural finishes in Queensland and South Australia. If you have on-sold Astec products to contractors or have used our products on a site that you think is outstanding, we would love to hear from you for a meet and greet on the site. The groups are always very friendly and love to take lots of pictures, as they are genuinely interested in application methods.

Some of Japan's largest builders and their representatives are attending.

Astec Japan are predicting at least a 40% increase in sales as the season breaks and their distributors are building on last years Energy Star sales.



▲ Sports Dome - Japan



▲ Panasonic - Japan