

To Our Valued Customers...

Akzo Nobel Car Refinishes has seen significant technological advancement over the last 25 years in North America. We have created products and services that have provided our customers with greater productivity, lowered operating costs and enabled a better working environment.

Today, North America and the world are being asked to make a transition that has a far greater impact than just our industry. The transition to waterborne technology affects our environment and thus the lives of our families, friends and neighbors around the world.

This societal evolution is immediately impacting the California and Canadian markets. Collision repair centers in these areas are under immediate legislative mandate to be environmentally compliant by January 2009.

Akzo Nobel has the ability to be a catalyst for change as well as an enabler for smooth transition. It is inherent in our business principles. However, change is not always easy and there is often resistance. These changes must occur and for Akzo Nobel, our customers, and the world, the sooner this change occurs, the better.

This monthly newsletter will assist us in managing change by providing you the most current happenings within our industry and business relating to technology, legislation and education.

For questions regarding transition to waterborne technology, contact your Akzo Nobel representative.

Sincerely,



AB Ghosh
General Manager
Akzo Nobel Car Refinishes Americas



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- Waterborne Basics
- OEM Update
- Technical Tips
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- Wholesaler Promotes Waterborne Technology



COUNTDOWN

Months remaining
before

Rule changes go into effect:

California

SCAQMD— 13 months

San Joaquin Valley: 19 months

Canada—19 months

Waterborne Basics *(as seen in the May 2007 issue of ABRM)*

What are waterborne coatings?

Solvents help thin pigment solids to produce smooth and even applications. Waterborne coatings use water as the main solvent, although they contain other solvents, such as glycol ethers, to improve application.

Waterborne Advantages

There are many advantages to using waterborne coatings:

- Solvent-based coatings contain VOC's and Hazardous Air Pollutants (HAP) such as xylene, toluene, methyl ethyl ketone and ethyl benzene
- Besides their lower VOC and toxicity levels, waterborne coatings are less flammable. Not only does their use reduce air emissions and improve worker health, they're safer – factors that could decrease shop insurance costs.
- Waterborne products can provide lower costs. They require no additives or hardeners. In addition, less product may be needed to cover the same surface area.
- Paint guns used for waterborne products can be cleaned with water or water-based solutions rather than more expensive paint thinner, acetone or methyl acetate.

Making it work

With the exception of shops that have an approved emissions system, most shops will have to make some changes as they move from solvent to waterborne. Starting with application equipment, shops probably will need to purchase equipment designed with stainless steel and/or plastic to resist the corrosion caused by water. Vendors can help set you up with new low cost (possibly no cost) equipment along with training. Shops also will have to look at equipment and work practices to handle the longer curing times for waterborne coatings. This can mean setting up new procedures such as planning to let vehicles sit overnight and then applying color and finishing coats the following day, or buying expensive equipment such as downdraft paint booths. Review your current procedures and schedule coating applications to allow for more drying time or use specialized drying equipment. Tip: Make sure to involve employees in your equipment and process scheduling changes.

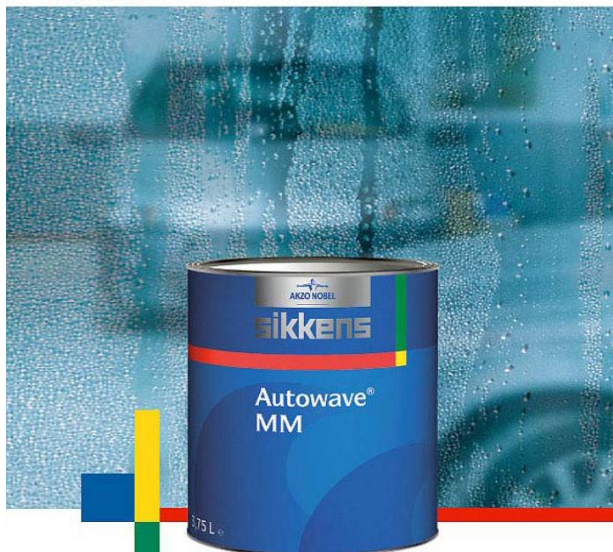
Technical Information

**Richard Lawrie, Technical Manager,
Western Market**

Why do I need new equipment to use waterborne products? Water evaporates at 1/3 the rate of standard solvent basecoats. In order to maintain the level of production your shop currently enjoys, we have to introduce an external influence that induces evaporation of the water from the basecoat. That means bringing in some air movement equipment.



What can I expect to see with Autowave? When a shop switches from a solvent basecoat to waterborne basecoat, the expectations of profitability are exactly the same or maybe even higher. Sikkens Autowave has some unique characteristics that will be very appealing to a shop, especially because it will enhance profitability. Color match is excellent. We see no difference between solvent-borne color match and waterborne. If anything, there is an improvement. As far as coverage is concerned, the shop is going to be very pleased with what it sees, particularly with silvers and medium and high metallics. They're covering in one to two coats generally. That equates to dollars for a body shop. Painters will see improved *blendability* when using Sikkens Autowave versus solvent-borne; it has a soft blend.



Sikkens Autowave®
The ultimate waterborne basecoat

What Our Customers are Saying about Sikkens Autowave

**Hubert Denelzen, Owner, Leggett's Collision,
Orangeville, ON**

"Since we started using Sikkens Autowave, we have found the product to be exceptional in every way. At Leggett's Collision, we paint six cars a day. I want to make the painters' lives easier, and that's what happened with Autowave. As a matter of fact, one of my painters asked me why I didn't make the conversion sooner!"

"My painters find the waterborne is easy to spray, simple to blend, and color match is outstanding. They have no interest in ever going back to solvent-based products. We received excellent support and guidance from the Akzo Nobel sales and technical teams which made the transition from solvent to waterborne products much easier than we expected."

**Paco Arias, Body Shop Manager, Pride Autobody,
Van Nuys, CA**

"The conversion from Autobase Plus to Autowave was very simple. It just took a day. That's it.

Flash time was initially my main concern, but it takes only two and a half minutes per coat which is what we were experiencing with Autobase Plus.



Customers don't know there's a difference. They can't tell it's water-based or see any difference between solvent and water. The end product to me is much better because it has better coverage and gloss retention.

We paint 11 to 12 cars a day. So for the guys who are spraying all day, I want to make their lives easier and that's what we get with Autowave. "

OEM Updates

**Andrew Robertson, R & D Manager for Global
IP Lab**

"Akzo Nobel has been involved in extensive OEM certification of Sikkens Autowave. These testing programs involve application on thousands of panels and testing in over forty-five different test systems. General Motors, Toyota, Honda, Nissan, Volkswagen and Ford are some of the OE's that have already granted approvals for Sikkens Autowave."



OEM Updates (cont'd.)

Toyota Approves Akzo Nobel Waterborne System

Sassenheim, the Netherlands, 22 May 2007 After extensive testing, Akzo Nobel has received confirmation from Toyota Motor Corporation Japan of the waterborne repair products meeting their specification.

With the ever increasing demands of customers for environmentally acceptable vehicles and vehicle refinishing solutions, Akzo Nobel has been working with Toyota Motor Corporation in the testing of its waterborne repair products. Sikkens Autowave basecoat and the unique waterborne Sikkens Autoclear WB have been subjected to extensive testing according to the Toyota repair standard. Akzo Nobel is pleased to have received confirmation from Toyota Motor Corporation Japan of the products meeting their specification.



With the rapid spread of environmental regulations across North America, and the industry agreements on VOC reduction in Japan and Korea, it is very timely to receive the information on the technical testing of these key products. According to Hiroshi Miyagawa, General Manager Akzo Nobel Car Refinishes Japan, "with the change to waterborne in the Japanese market and other parts of the globe, Akzo Nobel is very pleased to have met the technical specifications of Toyota Motor Corporation."

"Although we already have over 7000 satisfied customers in Europe using Sikkens Autowave basecoat, the additional reference from Toyota is excellent for our roll-out across the US and Canada," commented Akzo Nobel Car Refinishes North American Commercial Services Manager, Tim Loden.

California Wholesaler Educates Shops on Waterborne Technology

California Color Source & Akzo Nobel Present Waterborne Clinic in Northern California

An informational clinic on waterborne refinish products was hosted by Akzo Nobel and California Color Source, Inc. on May 8th at Contra Costa College in San Pablo, CA. Updates from Air Quality District representatives were presented and discussions were held on the effects of using waterborne products in collision repair facilities. Richard Lawrie, West Market Technical Manager of Akzo Nobel, discussed options essential to maintaining productivity when adapting to waterborne products, demonstrating by repairing a Dodge Caravan fender using Sikkens Autowave basecoat system and Autoclear Superior 250 Clear coat.



California Color Source plans to convert a current Sikkens user to Autowave in the coming weeks and develop a rollout plan into 2008.

David Bly Global Product Manager, Sikkens



More and more collision repair shops across North America will consider waterborne refinishes as environmental regulations designed to reduce the amount of VOCs released into the atmosphere are adopted. Plus, many OEMs are using waterborne coatings, so it's practical to use the same technology

for refinishes.

Using the proper equipment and techniques, collision shops can maintain or improve productivity and profitability. And in the spray booth, painters should expect excellent color match, good coverage, fast drying performance, and easy spot repair and fade-out.

Akzo Nobel's simple procedures and training help promote a seamless transition to waterborne. In fact, Akzo Nobel prefers to consider Sikkens Autowave as an alternative basecoat rather than waterborne versus solvent-borne. The company has more than a decade of experience with waterborne paint in Europe and has introduced the Sikkens Autowave line to the California and Canadian markets.





15.5% superior,
Sikkens Autowave System®... the clear choice.



Our Focus – your success.

Find out how others are preparing for the future. Contact your local Sikkens representative or call 1-877-FOR-AKZO to receive a FREE copy of "The Future is Water" DVD.

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