

CHAPTER ONE: INTRODUCTION.....	1
STUDY GOALS AND OBJECTIVES.....	1
REASONS FOR DOING THE STUDY .....	2
SCOPE OF REPORT .....	2
METHODOLOGY AND INFORMATION SOURCES.....	3
INTENDED AUDIENCE.....	3
ANALYST CREDENTIALS.....	3
RELATED REPORTS.....	3
BCC ON-LINE SERVICES.....	4
DISCLAIMER .....	4
 CHAPTER TWO: SUMMARY.....	 5
<i>SUMMARY TABLE GLOBAL VALUE FOR OPTICAL COATINGS,</i>	
<i>THROUGH 2016 (\$ MILLIONS)</i> .....	5
<i>SUMMARY FIGURE GLOBAL VALUE FOR OPTICAL COATINGS (\$</i>	
<i>MILLIONS)</i> .....	6
 CHAPTER THREE: OVERVIEW .....	 7
INDUSTRY DEFINITION.....	7
IMPORTANCE OF THE INDUSTRY.....	7
COATINGS ON GLASS SURFACES.....	7
COATINGS ON PLASTIC SURFACES .....	7
AR COATINGS.....	8
REFLECTIVE COATINGS.....	8
CONDUCTIVE COATINGS .....	8
ELECTROCHROMIC COATINGS.....	9
HISTORY .....	9
<i>TABLE 1 COATING TECHNOLOGY TIMELINE</i> .....	9
TELECOMMUNICATIONS .....	10
FLAT-SCREEN TV .....	11
MILITARY PROJECTS PUSH INNOVATION .....	11
FORESEEABLE FUTURE DEVELOPMENTS .....	11
TOUCH SCREENS .....	12
CELL PHONES.....	12
LAPTOPS.....	12
SOLAR PANELS .....	12
LIGHTING.....	13
GOVERNMENT REGULATIONS .....	13
ENVIRONMENTAL REGULATIONS .....	13
SOLAR FUNDING.....	13
Solar Funding (Continued).....	14
 CHAPTER FOUR: MATERIALS .....	 15
GLOBAL VALUE BY MATERIAL CATEGORY .....	15

<i>TABLE 2 GLOBAL VALUE FOR OPTICAL COATINGS BY MATERIAL, THROUGH 2016 (\$ MILLIONS)</i> .....	15
OXIDE COATINGS.....	16
<i>FIGURE 1 GLOBAL VALUE OF OXIDE COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	16
FLUORIDE COATINGS.....	16
<i>FIGURE 2 GLOBAL VALUE FOR FLUORIDE COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	17
METAL COATINGS.....	17
<i>FIGURE 3 GLOBAL VALUE FOR METAL COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	18
OTHER COATINGS.....	18
<i>FIGURE 4 GLOBAL VALUE FOR OTHER COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	19
COATING CHARACTERISTICS .....	19
REFRACTIVE INDEX .....	20
<i>TABLE 3 MOST COMMON COATING MATERIALS</i> .....	20
<i>TABLE 3 (CONTINUED)</i> .....	21
OXIDES .....	22
Alumina.....	22
Silica.....	23
Indium Tin Oxide .....	23
Titania.....	23
Tantalum Oxide.....	24
Zirconium Oxide .....	24
FLUORIDE COATINGS.....	24
Magnesium Fluoride.....	24
IR Coatings .....	25
METALS .....	25
Aluminum and Silver .....	25
Gold .....	26
<i>TABLE 4 METALS COMMONLY USED IN OPTICAL THIN FILMS</i> .....	27
CHAPTER FIVE: TECHNOLOGY .....	28
REVENUES BY DEPOSITION TECHNIQUE .....	28
<i>TABLE 5 GLOBAL VALUE OF OPTICAL COATINGS MARKET BY DEPOSITION TECHNOLOGY, THROUGH 2016 (\$ MILLIONS)</i> .....	28
EVAPORATIVE.....	29
<i>FIGURE 5 GLOBAL VALUE FOR EVAPORATIVE COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	29
Vacuum Chambers .....	30
Pumping Systems .....	30
Substrate Processing .....	30
Power Supply .....	31
Evaporation Sources.....	31

Thermal Evaporation .....	31
Electron Beam (E-Beam) Bombardment .....	32
Ion-beam-assisted Deposition (IAD) .....	32
SPUTTERING .....	33
<i>FIGURE 6 GLOBAL FORECAST FOR SPUTTERED COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	<i>33</i>
SPUTTERING DEPOSITION CHARACTERISTICS .....	34
Magnetron Sputtering .....	34
Ion Beam Sputtering .....	35
VAPOR DEPOSITION .....	35
<i>FIGURE 7 GLOBAL FORECAST FOR VAPOR DEPOSITION COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	<i>36</i>
SOLUTION CHEMISTRY .....	37
<i>FIGURE 8 GLOBAL FORECAST FOR SOLUTION CHEMISTRY COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	<i>38</i>
Unpromising Early Results .....	38
COATING POLYMERS .....	39
PATENTS .....	39
IMPORTANCE OF PATENTS .....	39
PATENT CENSUS .....	40
<i>TABLE 6 U.S. PUBLISHED PATENTS AND APPLICATIONS 2009-2011</i> .....	<i>41</i>
CHAPTER SIX: MARKETS BY COATING TYPE .....	42
GLOBAL VALUE BY COATING TYPE .....	42
<i>TABLE 7 GLOBAL VALUE FOR OPTICAL COATINGS MARKET BY PRODUCTS, THROUGH 2016 (\$ MILLIONS)</i> .....	<i>42</i>
REVENUE MODEL .....	43
PRICING MODEL .....	43
<i>TABLE 8 AVERAGE PRICE FOR HIGH VOLUME OPTICAL COATINGS, THROUGH 2016 (\$/M<sup>2</sup>)</i> .....	<i>44</i>
Coating Price as a Function of Volume .....	45
<i>TABLE 9 FACTORS IN PRICING</i> .....	<i>46</i>
COATING TYPES .....	46
AR COATINGS .....	46
<i>FIGURE 9 GLOBAL VALUE FOR AR COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	<i>47</i>
REFLECTIVE .....	48
<i>FIGURE 10 GLOBAL VALUE OF REFLECTIVE COATINGS, 2010-2016 (\$ MILLIONS)</i> .....	<i>49</i>
Metallic .....	49
FILTERS .....	49
Multilayer Stacks .....	50
Multilayer Reflecting Stacks .....	50
<i>FIGURE 11 GLOBAL VALUE OF FILTER COATINGS, THROUGH 2016 (\$ MILLIONS)</i> .....	<i>51</i>

CONDUCTIVE COATINGS .....	51
<i>FIGURE 12 GLOBAL VALUE OF CONDUCTIVE COATINGS, 2010-2016</i> <i>(\$ MILLIONS)</i> .....	52
ELECTROCHROMIC COATINGS.....	52
<i>FIGURE 13 GLOBAL VALUE OF ELECTROCHROMIC COATINGS,</i> <i>2010-2016 (\$ MILLIONS)</i> .....	53
DEVICES.....	54
MIRRORS .....	54
MULTILAYER STACKS.....	54
Dense Wavelength Division Multiplexing (DWDM) .....	55
Beamsplitters.....	55
Wideband Beamsplitters .....	55
Dichroic Beamsplitters .....	55
TRANSPARENT CONDUCTORS .....	56
FUTURE OPPORTUNITIES .....	56
ALTERNATIVE CONDUCTIVE COATINGS .....	56
Nanotube Carbon or Graphene .....	56
Low-temperature Materials .....	57
Low Cost.....	57
High-index Option .....	57
CHAPTER SEVEN: MARKETS BY APPLICATION.....	58
TOTAL GLOBAL VALUE BY APPLICATION .....	58
<i>TABLE 10 GLOBAL VALUE OF OPTICAL COATINGS MARKET BY</i> <i>APPLICATION, THROUGH 2016 (\$ MILLIONS)</i> .....	58
CONSUMER ELECTRONICS .....	59
<i>TABLE 11 GLOBAL VALUE FOR CONSUMER ELECTRONICS BY</i> <i>CATEGORY, THROUGH 2016 (\$MILLIONS)</i> .....	60
TELEVISIONS.....	60
<i>TABLE 12 GLOBAL MARKET FORECAST FOR TELEVISIONS,</i> <i>THROUGH 2016 (UNITS AS NOTED)</i> .....	61
AR Coatings .....	61
ITO Coatings.....	62
Regional Markets.....	62
Americas.....	62
EMEA .....	62
Asia .....	63
COMPUTERS.....	63
<i>TABLE 13 GLOBAL MARKET FORECAST FOR COMPUTERS,</i> <i>THROUGH 2016 (UNITS AS NOTED)</i> .....	63
<i>TABLE 13 (CONTINUED)</i> .....	64
Laptops.....	64
AR Coatings .....	65
ITO Coatings .....	65
Metallic Coatings .....	65

Desktop Computers .....	65
AR Coatings .....	66
Metallic Coatings .....	66
Tablet Computers .....	66
AR Coatings .....	67
ITO Coatings .....	67
Kinect .....	67
AR Coatings .....	68
ITO Coatings .....	68
Filter Coatings .....	68
Regional Markets.....	68
Americas.....	68
EMEA .....	69
Asia .....	69
MOBILE DEVICES.....	69
<i>TABLE 14 VALUE MARKET FORECAST FOR MOBILE DEVICES,</i> <i>THROUGH 2016 (UNITS AS NOTED).....</i>	<i>70</i>
<i>TABLE 14 (CONTINUED).....</i>	<i>71</i>
Cell Phones .....	71
AR Coatings .....	72
Metallic Coatings .....	72
ITO Coatings .....	72
Personal Music Devices.....	72
AR Coatings .....	73
ITO Coatings .....	73
Regional Markets.....	73
Americas.....	73
EMEA .....	73
Asia .....	74
PERSONAL DEVICES .....	74
<i>TABLE 15 GLOBAL MARKET FORECAST FOR PERSONAL DEVICES,</i> <i>THROUGH 2016 (UNITS AS NOTED).....</i>	<i>74</i>
Wristband Devices.....	74
AR Coatings .....	75
ITO Coatings .....	75
Calculators .....	75
Cameras .....	76
AR Coatings .....	76
ITO Coatings .....	77
Filter Coatings .....	77
Regional Markets.....	77
MEDIA.....	77
<i>TABLE 16 GLOBAL MARKET FORECAST FOR MEDIA, THROUGH</i> <i>2016 (UNITS AS NOTED).....</i>	<i>78</i>

CDs.....	78
DVDs .....	79
Regional Markets.....	80
<i>TABLE 17 REGIONAL MARKETS FOR PERSONAL DEVICES AND MEDIA, THROUGH 2016 (\$ MILLIONS)</i> .....	<i>80</i>
Americas.....	81
EMEA .....	81
Asia.....	81
SOLAR.....	81
<i>TABLE 18 CATEGORIES OF SOLAR POWER GENERATION</i> .....	<i>82</i>
MODEL DETAILS .....	83
<i>TABLE 19 GLOBAL MARKET FORECAST FOR SOLAR COATINGS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>83</i>
Solar Photovoltaic Cell Production .....	83
Solar Photovoltaic ..(Continued).....	84
Concentrated Solar Power.....	85
ARCHITECTURE .....	85
FLAT GLASS.....	85
Flat Glass (Continued) .....	86
<i>TABLE 20 GLOBAL MARKET FORECAST FOR ARCHITECTURE COATINGS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>87</i>
LIGHTING.....	88
TRANSPORTATION .....	89
<i>TABLE 21 GLOBAL VALUE FOR THE TRANSPORTATION BY CATEGORY, THROUGH 2016 (\$ MILLIONS)</i> .....	<i>89</i>
VEHICLE SALES .....	90
<i>TABLE 22 GLOBAL VEHICLE SALES, THROUGH 2016 (MILLIONS)</i> .....	<i>90</i>
ELECTROCHROMIC MIRRORS.....	91
<i>TABLE 23 GLOBAL MARKET FORECAST FOR ELECTROCHROMIC MIRRORS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>91</i>
PROXIMITY SENSORS.....	92
<i>TABLE 24 GLOBAL MARKET FORECAST FOR PROXIMITY SENSORS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>93</i>
NAVIGATION SYSTEMS.....	94
<i>TABLE 25 GLOBAL MARKET FORECAST FOR NAVIGATION SYSTEMS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>94</i>
<i>TABLE 25 (CONTINUED)</i> .....	<i>95</i>
AR Coatings .....	96
ITO Coatings.....	96
MEDICAL.....	97
OPHTHALMIC.....	97
<i>TABLE 26 GLOBAL MARKET FORECAST FOR OPHTHALMIC COATINGS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>98</i>
Ophthalmic (Continued).....	99

ENDOSCOPY .....	100
<i>TABLE 27 GLOBAL MARKET FORECAST FOR ENDOSCOPE COATINGS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>101</i>
LASERS .....	102
<i>TABLE 28 GLOBAL MARKET FORECAST FOR LASER COATINGS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>103</i>
TELECOMMUNICATIONS .....	103
TELECOMMUNICATIONS (CONTINUED).....	104
MODEL DETAILS .....	105
Fiber Deployed.....	105
<i>TABLE 29 GLOBAL MARKET FORECAST FOR TELECOMMUNICATIONS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>106</i>
Global Coating Value.....	107
Regional Markets.....	108
Americas .....	108
EMEA .....	108
Asia .....	109
GROWTH DRIVERS .....	109
FTTH Deployment.....	109
High-bandwidth Consumers .....	109
Smart Appliances .....	110
Online Schooling.....	110
Video Conferencing.....	110
GROWTH INHIBITORS .....	111
Inadequate Return on Investment.....	111
Long-haul Fiber Glut.....	111
DEFENSE AND SECURITY .....	112
<i>TABLE 30 GLOBAL MARKET FORECAST FOR MILITARY COATINGS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>113</i>
PERSONNEL EQUIPMENT .....	113
Night Vision Goggles .....	114
LASERS .....	115
SECURITY CAMERAS .....	115
WEAPONRY AND VEHICLES .....	116
Smart Munitions.....	116
Unmanned or Drone Aircraft .....	117
Manned Aircraft .....	117
INDUSTRIAL.....	118
<i>TABLE 31 GLOBAL MARKET FORECAST FOR INDUSTRIAL COATINGS, THROUGH 2016 (UNITS AS NOTED)</i> .....	<i>119</i>
MACHINE VISION.....	119
LASER COATINGS.....	120
Laser Coatings (Continued) .....	121
CHAPTER EIGHT: INDUSTRY STRUCTURE.....	122

DRIVING FORCES IN INDUSTRY.....	122
GLOBAL ECONOMIC FACTORS.....	122
Real Estate Collapse.....	122
Effect of Consumer Debt Levels .....	123
Collapse of Debt Financing .....	123
Government Spending.....	124
Inflation or Deflation?.....	124
Future Rates .....	124
EMERGING MARKETS .....	125
Political Risks .....	125
Political Risks (Continued).....	126
Cultural Shifts .....	127
INDUSTRY STRUCTURE .....	127
CONSOLIDATION.....	127
SHRINKING MARGINS.....	128
Defense No Longer Immunized Against Falling Prices.....	128
NICHE OPPORTUNITIES .....	129
CHAPTER NINE: COMPANY PROFILES .....	130
<i>TABLE 32 MARKET LEADING COATING COMPANIES, 2011 (UNITS</i>	
<i>AS NOTED)</i> .....	130
3M PRECISION OPTICS .....	130
ABRISA GLASS & COATINGS INC.....	131
ZC&R COATINGS FOR OPTICS .....	131
ACCUCOAT INC. ....	132
ALIGN OPTICS .....	132
ALLIANCE FIBER OPTIC PRODUCTS INC. ....	132
AMERINA .....	133
ANDOVER CORPORATION.....	133
APOGEE.....	133
VIRATEC THIN FILMS .....	134
APPLIED COATINGS GROUP.....	134
APPLIED FILM CORPORATION .....	134
A.R.W. OPTICAL CORPORATION .....	134
ARTEMIS INTERNATIONAL .....	135
AXSYS TECHNOLOGIES.....	135
BREWER SCIENCE INC. ....	135
CARL ZEISS.....	136
CASIX.....	136
CHROMA TECHNOLOGY.....	136
CLEVELAND CRYSTALS.....	137
CRYSTAL TECHNO.....	137
DAHENG OPTICS .....	137
DELTA LIGHT & OPTICS.....	138
DENTON VACUUM LLC.....	138



DEPOSITION SCIENCES .....	139
DICON FIBEROPTICS INC.....	139
DISPLAYS & OPTICAL TECHNOLOGIES.....	139
DONTECH INC. ....	140
DYNASIL.....	140
EVAPORATED METAL FILMS.....	140
EVAPORATED COATINGS INC.....	141
FERSON TECHNOLOGIES .....	141
FLIR SYSTEMS OPTRONICS.....	141
FOSTA-TEK OPTICS INC. ....	142
FRAUNHOFER-INSTITUT FÜR ANGEWANDTE OPTIK UND FEINMECHANIK .....	142
FUZHOU SENVIEW OPTICS CO. LTD.....	142
GOODRICH CORPORATION.....	143
GUERNSEY COATING LABS.....	143
H.L. CLAUSING .....	143
HALMA .....	144
OCEAN THIN FILMS.....	144
OERLIKON BALZERS THIN FILMS.....	144
HAMPTON SCIENTIFIC INC.....	144
HELIA PHOTONICS.....	145
HUDSON OPTICAL LABORATORIES INC.....	145
IDEX.....	145
ADVANCED THIN FILMS.....	146
CVI MELLES GRIOT INC.....	146
SEMROCK.....	146
II-VI .....	146
IMT MASKEN UND TEILUNGEN AG.....	147
INTEGRATED OPTICAL SERVICES .....	147
IRD GLASS .....	148
IRIDIAN SPECTRAL TECHNOLOGIES LTD.....	148
ISP OPTICS CORPORATION.....	148
JANOS TECHNOLOGY .....	148
JDSU .....	149
KODAK INDUSTRIAL MATERIALS GROUP .....	150
LAMBDA RESEARCH OPTICS INC.....	150
LAYERTEC .....	150
MAGNOLIA SOLAR.....	150
MAJESTIC OPTICAL COATINGS.....	151
MATERION.....	151
BARR ASSOCIATES.....	151
CERAC INC.....	152
EIS OPTICS.....	152
METAVAC.....	152

ML OPTIC CORP.....	153
NACL INDUSTRIAL OPTICAL DIVISION .....	153
NEWPORT .....	153
OPHIR OPTRONICS LTD.....	154
NIPPON SHEET GLASS.....	154
PILKINGTON PLC .....	154
OCLARO .....	155
OPTICAL COATINGS JAPAN.....	155
OPTICS BALZERS .....	155
OPTICS BALZERS JENA.....	156
OPTOPLEX CORPORATION .....	156
OPTOSIGMA.....	156
OXFORD INSTRUMENTS.....	157
PFG PRECISION OPTICS .....	157
PPG.....	157
PHOTONIC PRODUCTS GROUP INC. ....	158
PRÄZISIONS GLAS & OPTIK GMBH .....	158
PRECISION PHOTONICS.....	158
PRINCETON INSTRUMENTS.....	159
QIOPTIC.....	159
REYNARD CORPORATION .....	159
SOLUTIA.....	159
SOUTHWALL TECHNOLOGIES .....	160
TIGOLD CORPORATION .....	160
TOPPAN .....	160
TORAY ENGINEERING .....	161
TOYOTEC .....	161
UNIVERSE COATING SERVICES .....	161
XINXIANG BAIHE O.E. CO. LTD .....	162
YANGZHOU HUASHENG OPTICAL INSTRUMENTS FACTORY.....	162