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VISION News Consumer Products e-Report

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Welcome to Volume 8, No. 3 of the VISION News Consumer Products e-Report.

The VISION News Consumer Products e-Report is written and distributed every other month for executives within the consumer products and nonwovens industries. VISION reviews the news and events of each month in the disposable diaper, adult incontinence, feminine hygiene, household wipes/cleaning products and filtration markets, among other end uses that utilize nonwoven fabrics.

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NEW WIPES STUDY COMING FROM INDA

High growth of the North American consumer and industrial/institutional market is projected in a soon-to-be-released report from INDA. Available in June, the report, titled "Wipes, Nonwovens Industry Outlook Trends & Forecasts, North America 2008-2013," includes all sales of wipes by major retailers and distributors in North America.

One of the major benefits of this new report is the inclusion of all sales of wipes in all major distribution channels. While most reports of the wipes industry are incomplete as they do not report sales estimates for major outlets such as Wal-Mart, Dollar, Convenience and Club stores, which can account for up to 50% of total sales for certain SKUs, the new INDA report provides the real numbers and includes all sales in North America.

"We are astounded at the phenomenal growth of the wipes industry, with some markets growing in the double-digit range per year," said Ian Butler, INDA director of research and the author of the report, which updates many of the findings of an original report published in 2005. "Due to this industry's expansion, we deemed it important to research and write the second edition of INDA's Wipes Report."

The report is available for \$2200 for INDA members and \$3000 for non-members. A pre-publication discount of 10% is offered until June 24. In addition, a one-hour consultation with Butler is offered as a bonus with the purchase of the report.

The report covers a wide scope of markets and technologies within the Wipes market, including:

- ✓ Baby Wipes
- ✓ Personal Wipes, including Adult Moist, Antibacterial, Facial, Incontinent/Bathing, Intimate Feminine Care and Toddler Flushables
- ✓ Household Cleaning, including General Cleaning, Glass/Furniture Polish, Hard Surface/Disinfecting, and Wet and Dry Floor Cleaning

In addition, critical data is provided on major wipes brands, product construction, laundered shop towels and flushable wipes.

This report reviews the growth of the North American Wipe Industry in the 21st Century and provides a five-year forecast through 2013. The major consumer and industrial/institutional segments are analyzed separately. Current volumes by segment and a forecast through 2013 are provided in square meters and tons. The total tonnage of nonwoven volume used in wipes is broken down by nonwoven technology.

More information: iwilliams@inda.org; 919-233-1210 ext. 130;
www.inda.org/pubs/marketing/index.html

WOW FINALISTS TO BE ANNOUNCED THIS MONTH

The finalists for the second annual World of Wipes Innovation Award will be announced within the next two weeks following a secret ballot vote by members of the World of Wipes Committee late last month. The finalists will be selected from 20 nominated products from around the world. All finalists will make presentations of at the upcoming World of Wipes International Conference June 22-24 in Atlanta.

For more information on the WOW International Conference:

<http://www.inda.org/events/wow09/index.html>

INDUSTRY NEWS

WIPES PLAYING KEY ROLE IN COMBATTING SWINE FLU

As the World Health Organization kept increasing the pandemic alert to level five for swine flu (influenza A virus H1N1), many parents remained concerned and wanted information and tools to help protect their families. The Centers for Disease Control and Prevention has a number of resources available through its family health partners and recommends the following practices to help protect against swine flu and infectious diseases year-round.

For the nonwovens and disposable consumer products industry these guidelines and recommendation point to the increased use of wipes to clean surfaces and to wash and sanitize hands. Among the CDC recommendations:

- ✓ Thoroughly wash your hands throughout the day with soap and water for 20 seconds (the time it takes to sing the "Happy Birthday" song twice). If soap is not readily available, use a hand sanitizer or hand wipe.
- ✓ Disinfect commonly touched surfaces at both the beginning and end of the day to minimize the likelihood of spreading illnesses through contaminated surfaces.
- ✓ Fully cover the mouth and nose with a tissue when coughing or sneezing and properly dispose of the tissue directly after you use it.

Also CDC recommends that families have a set emergency plan, such as a contingency plan if a school or day care is shut down and a supply of essential items in the home. This includes keeping a sensible supply of regularly taken medicines, food, facemasks, disinfectants, alcohol-based hand rubs and other essential items on-hand.

To find more information and resources:

Centers for Disease Control - Swine Flu

http://www.cdc.gov/swineflu/swineflu_you.htm

Centers for Disease Control and Prevention - Ounce of Prevention initiative

<http://www.cdc.gov/ounceofprevention>

World Health Organization

<http://www.who.int/csr/disease/swineflu/en/index.html>

Germ Protection Center via the Visiting Nurse Associations of America

http://www.vnaa.org/vnaa/g/?h=html/germ_protection_center_colds_and_flu

K-C LAUNCHES HUGGIES PURE & NATURAL DIAPERS

In one of the major diaper introductions of 2009, Kimberly-Clark Corporation has launched Huggies Pure & Natural diapers, a super premium diaper that includes natural, organic materials and ingredients to provide gentle protection for new babies, as well as initial steps toward environmental improvements, without sacrificing performance.

The new Huggies Pure & Natural diaper is hypoallergenic, latex and fragrance free and features a breathable outer cover that includes organic cotton. The liner includes natural Aloe & Vitamin E and materials from renewable sources, and the product's outer packaging is sourced from 20 percent post-consumer recycled materials. The new diaper will be offered in six sizes, from newborn through size 5.

K-C expects the Huggies Pure & Natural diapers will help the brand build inroads with those moms who are most interested in products that include natural materials to provide the best care for their babies. According to a K-C consumer research study, the moms surveyed expressed a strong interest in purchasing Huggies brand diapers that included organic and natural materials.

"The new Huggies Pure & Natural diaper is designed for moms who desire to provide their babies the best and most gentle care without sacrificing comfort and protection, while using a product that includes organic and natural materials," said Robert Thibault, president of Kimberly-Clark's North American Infant, Baby & Child Care business. "This innovative Huggies brand diaper offers delicate protection for baby, along with the increased use of renewable materials, ushering into the category a new disposable diaper that delivers the utmost in performance and care along with steps toward environmental improvements."

The launch of Huggies Pure & Natural diapers is being supported by an integrated marketing campaign to include print and online advertising, websites, FSIs and in-store promotions. The new diaper will be featured as part of the Huggies brand's recruitment program for moms, which includes childbirth education, sampling, in-hospital TV programming and direct mail.

HUGGIES BRAND ROLLS OUT REWARDS PROGRAM

Kimberly-Clark has launched a Huggies brand rewards program – Enjoy the Ride Rewards – that targets the millennial mom, offering her chances to earn valuable rewards, win instant prizes, and more. Beginning April 13, moms could sign up for the rewards program by going to www.enjoytheriderewards.com. To earn rewards points, moms enter special codes that will be located on direct mail pieces, magazine ads, and online. Points can also be earned by referring friends, watching videos, providing opinions, or sharing ideas within the program's website.

The Huggies Brand will be giving away a one-year's supply of diapers every day for the next year. Moms who sign up to join the program are eligible to win this daily prize.

"During these uncertain economic times, providing moms access to a rewards program that enables them to have fun, talk to each other, and share their opinions, while accumulating points and redeeming them for a chance to win fabulous prizes, is a win-

win for both moms and the Huggies brand," said Jeff Dawson, vice president of the Huggies brand. "The Enjoy the Ride Rewards program is designed to establish a strong relationship with moms as they begin their journey through motherhood - ultimately creating Huggies advocates, and thus loyal users of Huggies branded products."

K-C FIRST QUARTER NET SALES DOWN 6.6%

Kimberly-Clark recently reported \$4.5 billion in net sales for the first quarter of 2009, a drop of 6.6%. The company said the effect of weaker foreign currency exchange rates more than offset organic sales growth of 3%-plus. The growth in organic sales was reportedly driven by higher net selling prices, which increased approximately 6%.

Overall sales volumes – down nearly 3% – reflect challenging economic conditions in North America and Europe, particularly affecting the company's K-C Professional and Consumer Tissue businesses, as well as the childcare category in Personal Care. Meanwhile, sales volumes in developing and emerging markets rose about 2%.

Net income for the quarter amounted to \$431 million, a decline of 9.5% from \$476 million in the year-ago quarter.

During the quarter, the company delivered continued double-digit organic sales growth in developing and emerging markets, realized improved net selling prices in North America and Europe, and also benefited from lower costs stemming from commodity cost deflation and cost savings initiatives. According to K-C, these positive factors contributed to an increase in gross profit margin of approximately 200 basis points versus the year-ago quarter, more than offsetting higher costs for production curtailment and pension expense.

Operating profit and earnings per share, however, were down compared with the prior year, mainly as a result of unfavorable currency effects and the decline in overall sales volumes. Currency translation and transaction losses reduced earnings in the first quarter by about 30 cents per share compared with the prior year. The increase in pension expense in the first quarter was equivalent to approximately 8 cents per share.

AHLSTROM INITIATES RESTRUCTURING PROGRAM

In response to soft results in its most recent quarter, Ahlstrom Corporation announced that, in order to adapt its operations to the challenging market conditions, it will initiate a further restructuring program with the aim of gaining annual cost reductions of EUR 50 million with full effect in 2010.

The company will review its underperforming units and the overall cost structure, which may impact 400-500 Ahlstrom employees globally. The decisions related to individual actions will be made during 2009 and will be disclosed respectively.

HDIS BUYS BEST BUY HEALTHCARE

[From nonwovens-industry.com] Home Delivery Incontinent Supplies Co. (HDIS), a direct-to-consumer supplier of bladder control products in the U.S., has acquired the assets of Best Buy Healthcare. Financial terms were not disclosed.

Best Buy Healthcare is a major direct-to-consumer supplier of home healthcare products, including urological supplies, aids for daily living and mobility products, as well as incontinence products.

“Joining the Best Buy brand with HDIS allows us to achieve two of our primary strategic objectives. First, building our core incontinence business by pulling together key channel leaders, and second, adding new product lines in senior home healthcare, a high-growth market,” said Bruce Grench, president of HDIS. “It also furthers our commitment to serving individuals with special healthcare needs and their caregivers. The Best Buy brand has always been synonymous with excellent service and true caring for their customers.”

BOOGIE MOMS KEYNOTING BUSINESS MEETING

The co-founders of Little Busy Bodies, Inc. and inventors of Boogie Wipes, Mindee Doney and Julie Pickens, have been selected as the keynote speakers for the Moms in Business Unite Conference to be held at The University of San Diego, Joan Kroc Institute for Peace and Justice on September 16th, 2009. This conference is the vision of Mom Business Associates (MBA), a networking group for mom business owners who are looking to join a group that is sensitive to their needs and understands the challenges of being both business owner and mother.

“When we heard about the Moms in Business Unite Conference, we knew we wanted to get involved to exchange ideas and help be a resource to moms,” said Doney, VP and Director of Marketing for Boogie Wipes. “We’ve been offering individual consulting to fellow mompreneurs trying to get their businesses off the ground, and being able to directly reach so many moms at the conference will be an amazing experience,” she continued.

“We consider ourselves very lucky to be able to share our experiences and knowledge, both as moms and business owners, with fellow budding mom entrepreneurs,” said Julie Pickens, President and CEO of Boogie Wipes®. “Hopefully our insight and advice will help bring these women the success they deserve,” she added.

Doney and Pickens, often referred to as The Boogie Moms, developed Boogie Wipes in 2007 as a solution for their kids' runny, red noses. After trying to use saline spray, bulb syringes and regular dry tissue, they became certain there had to be a better way to treat a stuffy nose. Months of market research resulted in an answer as plain as the nose on their face — a saline-infused moist wipe that soothes chapped, sore noses while dissolving mucus. After an extensive development and manufacturing process, and keeping their noses to the grindstone, Mindee and Julie shipped their first order of Boogie Wipes in December, 2007.

Since then, Boogie Wipes has found the smell of sweet success selling in 30,000 retail stores nationwide. The Boogie Moms® are thrilled their innovative idea helps parents and kids boogie through cold season without missing a beat!

POLYMER RECEIVES TECHNOLOGY LEADERSHIP AWARD

Kraton Polymers LLC (Kraton), a global producer of engineered polymers, has received the Frost & Sullivan 2009 North American Technology Leadership of the Year Award. Frost & Sullivan honored Kraton Polymers for its efforts to drive innovation in the elastic nonwovens industry.

The award was presented to Lothar Freund, Vice President of Technology of Kraton Polymers Freund, at the Excellence in Industrial Technologies Award Banquet on April 8, 2009 in San Antonio.

Kraton Polymers received the prestigious award for developing a new generation of styrenic block copolymer (SBC) grades, which are highly suitable for high-speed processing in nonwoven manufacturing. In addition, Kraton Polymers elastic meltblown grades allow customers, who do not have bicomponent fiber technology, to replace the elastic film in the current laminated construction. The resulting spunbond-melt blown-spunbond (SMS) laminate has the flexibility to be produced in a single step process, which provides a significantly reduce manufacturing costs.

“We are extremely proud Frost & Sullivan has recognized our relentless efforts to develop and deliver next generation technology to the market,” stated Lothar Freund, Vice President of Technology of Kraton Polymers. “The award validates our successes and motivates our team to continue to lead this industry as we are committed to providing our customers with innovative solutions to enhance their products' performance.”

Kraton Polymers plans to relocate its North American Research and Development operations to a new facility in early May. The multi-million dollar Kraton Innovation Center (KIC) is located in Katy, TX, and it will feature 85,000 sq. ft of state of the art

laboratory and office space. The new Kraton Innovation Center demonstrates the company's commitment to continue deliver custom solutions for products in wide range of applications.

MOTHER OF OCTUPLETS WANTS TO TRADMARK 'OCTOMOM' FOR DIAPERS

"Octomom," the nickname that has been all the rage for nearly three months, could belong to Nadya Suleman alone. The mother of octuplets wants to trademark her nickname and filed two applications with the U.S. Patent and Trademark Office on April 10.

The applications say that Suleman wants to put the Octomom name on television programs, clothing and disposable and cloth diapers. Suleman got the nickname after her eight children were born nine weeks premature on Jan. 26. Suleman's attorney, Jeff Czech, says two people have approached him with suggestions for products. He wanted to protect the name.

Czech says a Texas-based video game company also filed a trademark application for the name.

PATENT REVIEW

ABSORBENT ARTICLE WITH A SLIT ABSORBENT CORE

Pub. Number: WO2009047596

Company: DSG Technology Holdings

Inventors: Wright, Andrew; Tsang, Patrick, King Yu

Abstract: The invention relates to slit absorbent articles and the use of slits in absorbent materials to provide improved liquid intake rate, flexibility and softness compared to the unmodified material. The absorbent material, including superabsorbent materials, are particularly useful as absorbent cores in disposable absorbent articles such as diapers, incontinent products, sanitary napkins and the like.

That's all for this month. Feel free to contact editor Michael Jacobsen at 201-612-6601 or email at [mjacobson@inda.org](mailto:mjacobsen@inda.org).