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Welcome to Volume 10, 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.

IN THIS ISSUE

P1 Raw Materials on the Agenda at WOW Next Month

P2 2012 Visionary Award Nominations Open June 1

P2 Lots of Reports, Events Going on at INDA

P3 Prices Are Jumping for Diapers, Other Family Basics

P4 PGI Announces Long-Term Investment Strategy

P5 SCA Expands Reach of Thin Diaper in Europe

P5 P&G Seeks Growth in Poorer Regions

P6 K-C Expands U by Kotex Campaign

P6 First Defense Nasal Screens Unveiled

P7 K-C Highlights Its Environmental Initiatives

Raw Materials on the Agenda at WOW Next Month



One of the more important and timely sessions at the upcoming World of Wipes Conference (WOW), set for June 14-16 at the Grand Hyatt Buckhead, Atlanta, Georgia, is a Raw Materials Panel that will give attendees the chance to listen to experts discuss the impact of rising cotton and PET prices and how that is affecting other raw materials' prices.

Other key sessions at this outstanding conference include a look at Regional Markets, a number of Case Studies on Wipes, Issues and Threats to the Wipes Business, and an Environmental Approach to Wipes. Also on tap is a popular Speed Networking luncheon

that will bring attendees together in a novel format.

Among the WOW featured topics and speakers:

- "Avoiding a Policy Wipe Out," presented by Jessica Franken, INDA Director of



Government Affairs. Regardless of where you stand ideologically, most agree that the results of the 2010 midterm elections revealed a growing discomfort with government excesses and

fostered a newfound interest in belt-tightening and government-wide regulatory reform. Yet even as public officials on both sides of the aisle embrace an era of restraint, federal and state policy activities impacting the wipes sector continue their march forward. Hear about how landfill disposal regulations, rules on "green" marketing, an online product safety database and other emerging policy issues stand to affect your business.

- "What You Should Know About Patents and Developments in Patent Law," presented by Chris



Kent, Attorney at Law, Finnegan, Henderson, Farabow, Garrett & Dunner. The presentation provides a

discussion of important aspects of patents, including how patents relate to other intellectual property protection regimes, such as trade secrets. Also presented will be reasons why it is important to consider patents—your own and those of competitors—before bringing products to the market. Finally, important recent developments in patent law will be presented.

In addition, the annual WOW Innovation Award will be presented to the most important wipe invention or new product of the year.

For more information: www.inda.org

2012 VISIONARY AWARD NOMINATIONS OPEN JUNE 1



The 2012 Visionary Award, which will be presented at the VISION 2012 Consumer Products Conference, will be accepting nominations beginning June 1. VISION

returns to New Orleans next year and will be held January 24-26, 2012 at the Hotel InterContinental. The Visionary Award is presented to a new consumer product that utilizes non-woven fabrics in its final form.

Earlier this year the Read Mask from Global Safety First, Manasquan, N.J., was selected over four other finalists – including Procter & Gamble and Kimberly-Clark – by the attendees at the tenth annual VISION Conference, which was held from January 10-12 at the Park Hyatt in Carlsbad.

Previous recipients of the Visionary Award were Rockline's Regenerated Cotton Wipe (2010), Ahlstrom's Disruptor Filter Media (2009); Kimberly-Clark's Spa Sensials personal care treatment (2008); Tyco Healthcare Retail Group's Swim Pants (2007); Chicopee's Disaster Relief Blanket (2006); Fiberweb's Resolution Print Media (2005); Church & Dwight's Brillo Scrub 'n' Toss (2004); FMJ ChemBio's Civilian Quick Escape Mask (2003); and Procter & Gamble's Swiffer (2002).

Lots of Reports, Events Going on at INDA

There is a lot going on at INDA this spring and summer – along with a number of vital industry reports – so here is a roundup of what the association has available to both members and non-members as summer approaches.

- North America Nonwovens Industry Outlook, 2010-2015 ...

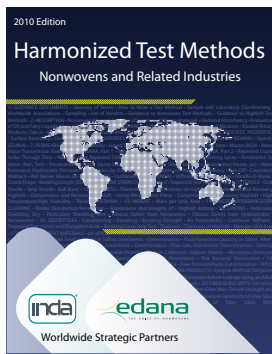
Get the latest on industry consumption figures for



roll goods by major market segment, nonwoven production capacity, future growth and evolving

market technology trends that may enhance/impece growth, definition/clarification of market segments, plus, historical growth rates and trends. Cost: INDA Members, \$2,200; non-members, \$3,000

- Harmonized Test Methods for the Nonwovens & Related Industries,



from INDA and EDANA. The joint report contains more than 125 Standards (77% updated in 2009), 27

New Standards and 15% of Standards ISO Approved, which minimizes confusion when setting metrics. A new category – Flushability – includes Guidance Documents, Absorption, Abrasion Resistance, Bursting Strength, Electrostatic Properties and Optical Properties. Cost: INDA Members, \$995; Non-members, \$1295.

- Worldwide Outlook 2007-2012.



The third edition of landmark report details the current state of the industry as well as

projections into the next decade for production and consumption of nonwoven fabrics. Cost: Members, \$2,200; Non-Members, \$3,000.

- Wipes Nonwovens Industry Outlook North America 2008-2013.



Make decisions on real numbers. Includes markets, technologies, sales and consumption.

Cost: Members, \$2,200; Non-Members, \$3,000.

- INDA Nonwovens Course ... Only one more opportunity left in 2011 to attend this course — July 12-14, 2011, at INDA headquarters in Cary, North Carolina.



Topics include Raw Material for Nonwovens, Web Forming and Web Bonding Technologies, Web Conversion and Finishing Technologies, Nonwoven Products & Applications, Markets and Future Directions, and Environmental Issues. If you already know about nonwovens, but you need to know more, then you need to attend this course! Dr. Ed Vaughn is an outstanding instructor and is extremely entertaining. Cost: INDA Members, \$1,895; Non-Members, \$2,650.

For more information: 919-233-1210, ext. 0; info@inda.org; www.inda.org.

Industry News

Prices Are Jumping for Diapers, Other Family Basics

Two of the country's biggest makers of diapers and wipes are pushing through price increases this spring. Kimberly-Clark plans to raise prices on its Huggies diapers and wipes by 3% to 7% while

Procter & Gamble recently announced a 7% rise in prices for its Pampers diapers and 3% increase on wipes.

A recent Wall Street Journal article explained that shoppers are less likely

to switch to a cheaper brand on a baby product than many other items on the shopping list, according to a recent survey by Sanford Bernstein

analyst Ali Dibadj. Just 10% of consumers said they switched to a cheaper diaper brand because "it's not worth paying more in this category," and no consumers reported switching baby food. By comparison, nearly a third of consumers said they switched brands of bleach, bottled water and liquid soap.

Jacking up prices carries marketing risks, even for diapers, WSJ pointed out. Premium brands face intense competition from less-expensive options, especially private-label brands, which gained market share during the recession. Nevertheless, many parents, especially new ones, are willing to splurge on babies even when cutting back elsewhere, believing pricier products are better for comfort or development.

Kimberly-Clark reported last week that a bigger-than-expected rise in the cost of raw materials took a toll on first-quarter profit, which fell 9% to \$350 million, from \$384 million a year earlier, even as net sales increased 4% to \$5 billion. K-C said cost increases for raw

materials like wood pulp, resins and fuel are likely to run twice as high this year as previously projected. It said it needs to raise prices in response.

The results highlight the pressure building on consumer products companies for products used all over the house. Procter & Gamble told retailers last month it is raising the price of Charmin toilet tissue and Bounty paper towels in addition to the Pampers products.

Consumers already are absorbing higher costs for food and gasoline. And price tags are also forecast to begin rising for apparel, reflecting rocketing cotton costs. U.S. consumer prices rose 2.7% in March from a year earlier, the largest increase since December 2009.

"When you look across almost every category out there you are seeing the impact of higher commodity costs show up and higher selling prices for everything," Kimberly-Clark CEO Thomas Falk said on a recent conference call.

Companies went on a price-cut binge during the recession to win market

share. Backtracking on that could put a company at a disadvantage. Higher prices could also alienate already-strained consumers who may not be willing or able to pay more for everyday goods.

Ultimately, though, after the latest recession, consumer-product companies' operations are so lean that there are few cost cuts to find, leading to the unpleasant option of prices increases. The trick will be making them stick, especially with cheaper options including private-label products often available.

Falk also said he thinks consumers are getting better able to bear price increases, which they're coming to expect. Still, the company is approaching it gingerly, for instance by reducing the contents of packages rather than raising their price tags to avoid sticker shock.

We are "getting more sophisticated in our pricing ability in terms of targeting price points and understanding consumer shopping behavior," Mr. Falk said.

PGI Announces Long-Term Investment Strategy



Polymer Group, Inc. (PGI) recently unveiled long-term

strategic growth plans to invest in new state-of-the-art spunmelt manufacturing operations in South America and China to solidify the company's leadership position in

these high-growth markets. The plans and timeframe include:

- PGI will make an immediate follow-up installation of a state-of-the-art, custom-designed spunmelt machine and a pilot line at its current facility in Suzhou, China, that is expected to result in commercially available material in mid-2012.

- PGI will have a greenfield installation in Southern China by late 2012 with multi-line expansion capability.
- The company also will have a greenfield installation in Central Brazil by early 2013. Site selection for this facility is currently underway.

- Longer-term investment plans include a third spunmelt line at its plant in Cali, Colombia, where PGI holds a leadership position serving the Andean Pact Market.

PGI's new capacity will employ equipment and technologies, combined with proprietary technological developments, to deliver differentiated materials to customers for use in applications such as baby diapers, adult incontinence, and medical gowns and drapes.

"PGI has a proven competency expanding in the developing

markets, as demonstrated by its successful establishment of new manufacturing facilities in Suzhou, China, and Cali, Colombia, in recent years. We are excited about the prospect of building our presence in the Brazilian market and Southern China to position ourselves to capitalize on local opportunities in these regions," said PGI CEO Ronee Hagen.

"This expansion in product capability and capacity is part of PGI's ongoing strategy to provide superior solutions to the marketplace and meet our customers' needs for higher-performing products that offer an

optimum combination of barrier and comfort with improved performance attributes," she said.

Michael Hale, PGI's chief operating officer, said, "Our latest investment plans demonstrate our ongoing commitment to growing our leadership positions in core segments and partnering closely with our key customers to create differentiated product offerings that deliver value and give them a competitive edge in the marketplace."

SCA Expands Reach of Thin Diaper in Europe



SCA is expanding distribution of a diaper that it claims is drier, softer and thinner than available competing products. The

company first launched a thin diaper for retail brands in the Netherlands and has announced it will expand sales into many other European markets.

SCA says it is working to reduce the amount of material used in diapers and their carbon footprint, which is

considered an important measure for environmental impact. As an example, SCA reduced the carbon footprint for its open baby diapers by an impressive 45% from 1987 to 2009. SCA is also looking at new alternative and renewable materials to replace some of the fossil-based materials in the future.

P&G Seeks Growth in Poorer Regions



As David Holthaus of the Cincinnati Enquirer writes in a recent

article, "P&G's future is in the tangle of makeshift stalls at Oke-Aje market, 5,000 miles from the company's trademark twin towers in downtown Cincinnati."

In an exclusive look at Procter &

Gamble's (PG) marketing efforts in Nigeria, Holthaus takes readers inside the world's largest consumer products company's attempts to gain a foothold in a land of 1,000,000,000 "new consumers."

Holthaus says "Africa is a key part of the most ambitious international expansion plan in the company's history," but for the initiative to be a success, P&G has some fairly challenging hurdles to overcome.

"To grow here," he explains, "P&G must persuade people who live on \$5 or less a day to buy items they've never lived without. The company must travel dirt roads to stock 300,000 stores, most of them open-air markets. It must manufacture products in places where power is unreliable and crime is a constant threat."

Holthaus points out that "P&G is targeting sales to a rising middle class in growing economies like Nigeria's. Still mostly poor by U.S. standards, these customers are able to buy larger sizes of products more often, as they get hooked on a brand."

In Nigeria, many people can barely afford a bar of Ivory soap, let alone a luxury such as disposable diapers. So expanding into this

country and the rest of sub-Saharan Africa has required an about-face at P&G. The company has thrived on charging premium prices for premium products, adding innovations, pushing "new and improved" brands and charging more.

But in Africa the strategy is just the opposite. In these markets, P&G sells no-frills versions of its products in much smaller sizes. Ali Dibadj, who covers P&G for Sanford Bernstein,

asserts that, by locking up 10-20% of sales in "the company's top 30 emerging markets would add \$5.9 billion in new sales in five years."

And once those markets are no longer "emerging"?

"There's plenty of room to keep growing," CEO Bob McDonald told investment analysts in December. "We will grow by entering or creating entirely new markets."

K-C Expands U by Kotex Campaign



U by Kotex, the trendy feminine care line from Kimberly-Clark, has partnered with fashion designer Patricia Field to give young women the opportunity to "take a stand against the bland look of feminine care and inspire the category's future." The line is also now introducing color and design variety on pads and liners for the first time.

"At this point in my career, I am thrilled to have the chance to speak with young women and bring design to the bland feminine care category through this partnership with U by Kotex," said Field, an Academy Award-

nominated, two-time Emmy Award-winning stylist. "I'm looking forward to seeing the creativity come to life in the design contest and final products."

U by Kotex is inviting young women to share their inspirations through an online design contest. To enter, a pad, accessory or inspiration board can be designed and submitted at www.BantheBland.com for the chance to work with Patricia to design a new U by Kotex product and to attend a runway show at Fashion Week in New York, N.Y.

Designs will be accepted through June 29 and voting goes through August 24. For everyone who submits or likes a design online, \$1 will go to Girls For A Change — a national

non-profit organization that empowers girls to create and lead social change within their communities. The new U by Kotex products inspired by the winners will be in stores in 2012.

"U by Kotex is taking the next step in revolutionizing the feminine care category by introducing color and design variety on pads and liners for the first time and inviting young women to imprint on the future of feminine care," said Melissa Sexton, integrated marketing director, adult and feminine care, Kimberly-Clark. "This breakthrough in design is part of our larger mission to change the thinking around feminine care and empower young women to take control of their health and bodies."

First Defense Nasal Screens Unveiled

[From Nonwovens Industry] When Joe Moore, president and CEO of First Defense Nasal Screens had a severe allergy attack while driving on the highway, he was sneezing

so much that he was almost in an accident with a semi trailer. Fortunately, he was able to safely drive to the side of the road. When he pulled over, he noticed dust particles in the

sunlight and a light bulb went off. He decided right then that he was going to create a nasal screen for allergies.

After conducting research and making prototypes, Mr. Moore developed a polypropylene filter with an adhesive called First Defense Nasal Screens.

"The screens come in resealable foil packages. You just peel and stick it on the outer nose. It's not inserted into the nose. It's designed to cradle and seal around the rim of the nose without going in the nose. The polypropylene is compressed in a way so that when you breathe out, it will clean itself and when you breathe in, nothing can get through. It's like a band-aid. It's simple and so light. It is designed so that when you breathe in and out it flexes with your

breathing. It's like an extra piece of skin. It's like putting a piece of skin over the end of the nose that filters the air," said Mr. Moore.

Moore said that the advantage of using polypropylene for his product is its breathability. It is also non-irritating so the filter can be worn all day long, he said. He selected Marian as a manufacturer because of its extensive experience working with polypropylene.

"I started with one strip. We've been through seven different adhesives, several different thicknesses and different configurations of nonwovens and polypropylene to get it to where it is. We make our own adhesive. It's

latex free, hypoallergenic and it has been animal tested. You can wear the filter all day long."

Emphasizing that up to 50% of the population has some type of allergy, Mr. Moore said his product also answers the call for people who are involved in natural disasters, such as the recent earthquake in Japan, that result in air quality problems. The product can also be used by people who want to prevent getting viruses on airplanes, according to Mr. Moore.

First Defense Nasal Screens are sold on the company's website, on Amazon.com and Ocelco, a medical supply company. The price is \$9.98 for a weeks' supply.

K-C Highlights Its Environmental Initiatives



Kimberly-Clark Health Care recently unveiled several achievements to highlight its progress in sustainability initiatives. From rewarding customers for their sustainability efforts to developing recyclable uses for medical packaging waste to partnering with top advocacy leaders in sustainability, these milestones all highlight the company's ongoing commitment to sustainability.

Kimberly-Clark says it now diverts 6.5 million pounds of its manufacturing waste away from landfills each month, further supporting the overall goal of providing quality protection to its customers and to the environment, equally.

In 2010, Kimberly-Clark Health Care joined Practice Greenhealth, the nation's leading membership and networking organization for institutions in the healthcare community that are committed to sustainable and eco-friendly practices. As a result of this membership, Kimberly-Clark Health Care will learn from industry-leading experts and consultants in the green healthcare community that can assist in the design and architecture of future sustainability projects.

Additionally, Kimberly-Clark Health Care developed a campaign called "Save the Daisies" to reward its customers for recycling its Kimguard Sterilization Wrap and for promoting details of its programs with other facilities. The four winning facilities each received an educational grant and a donation from Kimberly-Clark Health Care to the cause of their

choice. The 2010 winners include: Summa Health System of Akron, OH; Elmendorf Air Force Base, Anchorage, AK.; St. Luke's Boise Medical Center, Boise, ID; and WVUH Ruby Memorial Hospital, Morgantown, WV.

Kimberly-Clark Health Care worked with the Rhode Island School of Design's (RISD) Industrial Design Department to develop and identify sustainable new concepts and scalable designs for repurposing the Kimberly-Clark KIMGUARD Sterilization Wrap through a semester-long studio course, titled, "Kimberly-Clark Green Studio." The project resulted in a number of innovative ideas as to how best to repurpose the wrap without much altering. These concepts would significantly reduce

hospital expenses and waste that would reduce the overall medical "carbon footprint" within a hospital. Although still in the investigative stages, Kimberly-Clark is

researching several of the ideas stemming from the project, including disaster relief tent/shelters, children's toys and backpacks.

That's all for this month. Feel free to contact editor Michael Jacobsen at 201-396-7005 or email at mjacobsen@inda.org.