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VISION News Consumer Products e-Report

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Welcome to Volume 2, No. 11 of the VISION News Consumer Products e-Report. VISION is sent monthly to 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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LEAD STORY

LAST CHANCE TO NOMINATE PRODUCTS FOR 2004 VISIONARY AWARDS

The deadline is SEPTEMBER 1 for nominations for the 2004 Visionary Awards, the most prestigious awards in the nonwoven and consumer products industries.

The awards, presented by INDA, recognize consumer end products that utilize nonwoven fabrics or employ nonwoven technology during their manufacturing process. They will be presented as part of the Vision 2004 Consumer Products Conference, January 25-28, 2004 in Las Vegas.

The criteria for the 2004 Visionary Awards are simple:

1. The finished consumer end product must contain a nonwoven fabric or utilize a nonwoven technology during its manufacturing process.
2. The consumer product has to have been introduced to the trade or to consumers in 2002-2003.

Products will be judged on their novel use of nonwovens technology, as well as on their consumer and trade acceptance. Eligible consumer product categories include disposable diapers, feminine hygiene product, adult incontinence products, household wipes and home filters, among others.

To nominate a product email an explanation of the product to Michael Jacobsen, Visionary Awards Coordinator, at mjacobsen@inda.org or call 201-612-6601 with any questions.

The Vision Consumer Products Conference, which attracted more than 500 people to New Orleans in January, is headed to a new location in its third year. INDA announced last month that Vision 2004 will be held in Las Vegas, Nevada at the Mandalay Bay Hotel from January 25-28. For more information on Vision 2004 Consumer Products Conference: www.inda.org.

INDA NAMES RORY HOLMES AS NEW PRESIDENT, REPLACING TED WIRTZ

Rory Holmes, a veteran of more than three decades in the nonwovens and personal products industries, has been named President of INDA. Holmes replaces Ted Wirtz, who announced his retirement late last year after seven years as president.

He will assume the position on October 1, 2003.

Holmes joins the nonwovens association with extensive experience spanning more than 30 years in nonwovens manufacturing and in the marketing and sales of nonwoven products. Most recently he was an associate director-technology transfer at the Nonwovens Cooperative Research Center at North Carolina State University, Raleigh, NC. For the past three years, Holmes has also been a consultant to various companies within the nonwovens industry, providing market research, product evaluation and technology reviews for a host of global companies.

In addition to his most recent positions, from 1999-2000 Holmes was VP & GM of APEX Technologies, Miratec Brand, at Polymer Group, Inc., Benson, NC. He was intimately involved in the development and launch of the high technology fabric systems based on APEX technology and before that had a long career with Johnson & Johnson.

"INDA, thanks to the leadership of Ted Wirtz, is well positioned to embark on an aggressive expansion within the global nonwovens and engineered fabrics industries," says Holmes, who lives in Cary, NC. "Along with the excellent INDA staff and with the guidance of the INDA Board of Directors, we can solidify and expand INDA's leadership role in the global nonwovens and engineered fabrics businesses."

Holmes' experience in the nonwovens and personal care industries also includes a position as VP-Sales, Marketing and Technology for the Medical and Industrial Business Units of PGI (Chicopee, Inc.) in Dayton, NJ, from 1995-1999. From 1990-1994 Holmes served in various management positions at Johnson & Johnson, Dayton, New Jersey. Holmes was also with Chicopee in various technology positions for 20 years beginning in 1970.

INDUSTRY NEWS

K-C EXTENDS HUGGIES INTO CHANGING PAD

Kimberly-Clark has introduced Huggies Disposable Changing pads, which offer a clean, convenient changing surface anywhere away from home.

Huggies Disposable Changing pads have a soft, highly absorbent top layer for comfort and a non-slip bottom layer that keeps the pad in place. The product has a waterproof barrier and is disposable for added convenience and cleanliness. They come folded into the size of a paperback book for easy storage, but when unfolded are big enough to cover a 20-by-30-inch area.

Huggies Disposable Changing pads come four to a package and will be available nationally at grocery stores, drug stores and mass merchandisers by mid-August.

CONCERT PLANS TO RESTRUCTURE

Concert Industries has filed for protection under the Companies' Creditors Arrangement Act (CCAA) to allow "for an orderly restructuring and to properly evaluate all available alternatives to maximize a return for its stakeholders." Concert President Raoul Heredia also announced a \$13.6 million increase in the company's operating line of credit from its current syndicate of financial institutions.

On July 7 the company disclosed that it did not receive the necessary waivers from its lenders to allow it to issue common shares in satisfaction of the semi-annual interest payment due on its 8.5% Convertible Unsecured Subordinated Debentures. The company continues not to make monthly interest payments as of July 2.

"We are quite confident that the CCAA filing will give us the breathing space to preserve and strengthen Concert's business so that we can continue to compete successfully and return to profitability. Our ability to rapidly secure initial new financing from top-tier institutions is a strong endorsement from this group and will provide the latitude and adequate resources to continue operating while we undergo the necessary restructuring activities," stated Mr. Heredia.

K-C INCREASES OWNERSHIP IN BRAZIL AND PERU

Kimberly-Clark has increased its ownership in two key affiliates in Latin America, Klabin Kimberly S.A. in Brazil and Kimberly-Clark Peru S.A. The purchases, totaling approximately \$200 million, were paid in cash.

With these transactions, Kimberly-Clark now owns 100% of Klabin Kimberly S.A., Brazil's leading tissue manufacturer, and approximately 88% of Kimberly-Clark Peru S.A., that country's leader in personal care and consumer tissue products.

Klabin Kimberly S.A. makes bath and facial tissue, towels and napkins for both retail and institutional markets. Kimberly-Clark Peru S.A. is the market leader in consumer tissue, diapers and feminine care, with shares exceeding 50% in each of these categories. Brands include Suave, Mimi and Amiga.

H&V LAUNCHES WALLCOVERING PRODUCT

From *Nonwovens Industry*: A line of environmentally friendly wallcovering substrates has been introduced by Hollingsworth & Vose, East Walpole, MA. The nonwoven material of the Holltek substrates can be direct printed, removing the need for coating or laminating other materials to the substrate. These PVC-free wallcoverings are specifically designed for commercial applications and are available in widths up to 80 inches and in 15- and 20-ounce-per-linear yard weights. These substrates are currently being printed by leading wallcovering manufacturers for applications requiring compliance with commercial serviceability specifications.

GREAT LAKES UNVEILS PP FIBER STABILIZER

Great Lakes Chemical has launched Anox FiberPlus polymer stabilizer blends, a solution-focused concept for the process stabilization of polypropylene fibers. Anox FiberPlus polymer stabilizer blends combine Great Lakes' stabilizers into proprietary blends in a free flowing, non-dusting product form that ensures accurate incorporation during fiber manufacturing. Anox FiberPlus is also available in a powder blend.

Anox FiberPlus blends allow manufacturers of polypropylene fiber grades to achieve good process stability and outstanding color protection, in addition to being resistant to gas fading of the polymer. UV stability and long-term heat aging can also be controlled by Anox FiberPlus blends based on the durability and UV protection needs of the finished product.

Anox FiberPlus blends are promoted as suited for polypropylene fiber production of a wide variety of finished goods from hygienic and medical goods such as disposable diapers to durable products such as carpet pile and backing, ropes, outdoor clothing, and agro/geotextiles.

RIANT NAMED P&G UNIT PRESIDENT

Among the recent executive appointments made by Procter & Gamble: Martin Riant, currently VP-Global Feminine Care has been named President-Global Feminine Care.

FINANCIAL NEWS

P&G REPORTS EARNINGS UP 19% FOR YEAR ...

Net sales at Procter & Gamble rose 8% to reach \$43.38 billion for the fiscal year ended June 30, including sales growth of 9% in the baby and family care unit, to \$2.51 billion. Net income for the year-end period climbed 19% from the previous year to \$5.19 billion. For the fourth quarter, sales rose 8% to \$10.82 billion and net income grew 5% from \$910 million last year to \$955 million.

... WHILE K-C NET INCOME DROPS ALMOST 5.6%

Kimberly-Clark reported net sales of \$3.5 billion, up 4% compared to the same period last year, but much of this growth was driven by a 4% improvement in currency exchange rates. Net income fell 1.7% to \$417.3 million from \$424.6 million. For the six-month period ended June 30, net sales rose 3.9% from \$6.7 billion to \$7 billion. Meanwhile, net income was \$815 million, down 5.6% from \$863.8 million last year.

Blaming increased competition and price pressures, K-C's personal care segment's second-quarter net sales remained flat at \$1.3 billion. Sales volumes were also affected by a slowdown in diaper growth in North America. Sluggish diaper sales weakened the positive impact of record shipments of Pull-Ups training pants, GoodNites youth pants and Huggies Little Swimmers swimpants. Net income decreased to 6.7% to \$273.7 million.

For the half-year period, net sales in the personal care segment rose 1% to \$2.6 billion, compared to \$2.58 billion during the same period last year. Net income totaled \$533.9 million, down 4.2% from last year.

PLAYTEX BLAMES DISCOUNTING FOR LOWER FORECAST

Playtex cited unfavorable growth trends and the impact of the poor weather on certain business categories when it said late last month that it expects to earn 8 cents to 10 cents a share in the second quarter, compared with 32 cents a share in the second quarter last year. Analysts were expecting the company to earn 23 cents a share. The company also said discounts in previous quarters pulled demand forward.

"Tampon shipments began to mirror consumption levels in the month of June so it appears that the promotional inventory impact is largely behind us," said Michael R. Gallagher, Playtex's Chief Executive. The company now expects second-quarter revenue to be 10% lower than the sales of \$201.6 million in the year-ago period.

The company also said revenue in the second half of 2003 is expected to be below 2002's second half by low single digits. Full-year 2003 revenue is expected to be

about 5% to 6% below 2002's total sales of \$719.1 million. Analysts expect \$709.8 million in 2003.

THAT'S ALL FOR THIS MONTH

The next issue of the Vision Consumer Products e-Report from INDA will be sent September 10. In the meantime, feel free to contact editor Michael Jacobsen at 201-612-6601 or email at mjacobsen@inda.org.

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