

January 15, 2002

VISION News Consumer Products e-Report

Published by INDA, Association of the Nonwoven Fabrics Industry and organizer of the Vision 2002 Consumer Products Conference, January 21-23, 2002, New Orleans, LA

Welcome to the Issue No. 5 of the Vision News Consumer Products e-Report. Vision is sent monthly to executives within the consumer products and nonwovens industries. Vision will review 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:

Vision 2002 Update

Vision 2002 Is Right Around The Corner
Industry To Recognize Top Products With Visionary Awards

Industry News

Tyco To Acquire Paragon Trade Brands
P&G Bringing Pampers Baby Stages Concept To U.S.
P&G Licenses Pampers Name For Household Cleaner
BioProtect Donates Anthrax Personal Protection Kits
Frisby Expanding ComfortTemp Into Footwear
Johns Manville Forms Strategic Alliance
H&V Purchases Product Lines From Mead
AquaCell Supporting Purific With Marketing/Ad Campaign

Personnel News

Georgia-Pacific Names Farren
Rayonier Names Boynton To Head Fibers Operation

Financial News

International Absorbents Reports Record 3Q Results

Legal News

Buckeye Wins Stac-Pac Lawsuit

International News

SCA Implements Expansion Plans Within Hygiene Sector
SCA Names New CEO
Tenotex On Target For Tenolace Commercialization
P&G Launches Sunnies Sun Protector in Argentina
Fibertex Receives ISO Certification

New Product

Filtration In A Flatulence Pad

Meetings Report

Filtration Draws Record Crowd Despite Soft Economy
Best Booths Recognized At Filtration 2001
Needlepunch 2002 Scheduled For March In Greenville

Research Update

Use of Organic Fibers Increases
INDA Releases Worldwide Industry Outlook Report

VISION 2002 UPDATE

VISION 2002 IS RIGHT AROUND THE CORNER

The consumer products industry will be headed to New Orleans this month for the inaugural Vision 2002 Consumer Products Conference, January 21-23, where for the first time the global nonwovens industry will present its vision of the current and future states of the consumer products industry. Sponsored by INDA, Vision 2002 will focus on absorbents, personal care and household products. Among the end-use applications that will be explored are baby diapers, adult incontinence and feminine hygiene products, household wipes and filters for household and automotive applications.

For last-minute details: www.inda.org, or call INDA at 919-233-1282.

INDUSTRY TO RECOGNIZE TOP PRODUCTS WITH VISIONARY AWARDS

The votes will be tallied the evening of January 22 and the recipient of the 2002 Visionary Award will be announced the following morning, the final day of the INDA Vision 2002 Consumer Products Conference. One of five unique new consumer products will be recognized with the Visionary Award. The five finalists are:

1. Destex Fire Blanket with Nomex. Destex SA, Switzerland
2. ComforTemp. Frisby Technologies, Long Island, NY/Freudenberg Nonwovens, Durham, NC
3. Cottonelle Rollwipes. Kimberly-Clark, Dallas, TX.
4. CIF Double Action Wet Wipes. Unilever, Holland/PGI Nonwovens, South Charleston, SC
5. Swiffer Wet Jet. Procter & Gamble, Cincinnati, OH.

The Visionary Awards, sponsored by INDA, identify and then honor consumer end products that utilize nonwoven fabrics or employ nonwoven technology during their manufacturing. The finalists were selected by an INDA committee out of more than two dozen nominations received from the industry earlier this year.

INDUSTRY NEWS

TYCO TO ACQUIRE PARAGON TRADE BRANDS

In a major industry acquisition, Tyco International will purchase disposable diaper maker Paragon Trade Brands for \$43.50 per share, a transaction valued at approximately \$650 million.

Paragon manufactures diapers and training pants that are distributed throughout the U.S. and Canada primarily through grocery and food stores, mass merchandisers, warehouse clubs, toy stores and drug stores. Tyco Healthcare currently manufactures and markets a range of absorbent personal care products and, says President Rich Meelia, "Paragon is an outstanding addition to our growing portfolio of businesses both within the retail and clinical care markets. By adding Paragon, we believe that we will realize greater manufacturing and distribution efficiencies, which will result in greater value and service for our customers."

P&G BRINGING PAMPERS BABY STAGES CONCEPT TO U.S.

Procter & Gamble plans to replace its biggest global brand, Pampers Premium, with an upgraded Pampers diaper product that until now has been sold only in Europe. The Cincinnati consumer products company said it would introduce the Pampers Baby Stages diaper line to the U.S. in February.

The three-stage line is based on the baby's development, not just size. The line includes Swaddlers, designed for infants; Cruisers, with special stretch material for toddlers; and Easy Ups, a pull-up pant. The price will remain the same as Pampers Premium.

Pampers is reportedly growing strongly in developing nations, and Baby Stages has increased P&G's European market share since it was introduced in August.

P&G LICENSES PAMPERS NAME FOR HOUSEHOLD CLEANER

In an unusual brand extension move for Procter & Gamble, the company has granted a license to Changing Paradigms LLC to make, market and distribute new, kid-safe Pampers Clean 'n Play household cleaner in the U.S. The license includes the technology and the Pampers Clean 'n Play trademark. P&G will share in revenue generated from all sales while retaining rights to the technology and trademark.

"Pampers Clean 'n Play offers parents an effective daily cleaner for surfaces their kids touch, from high chairs to toys and tables, that's also mild to the skin, won't irritate eyes and has no strong fumes," says Changing Paradigms President Dan Meyer. "We're establishing this category broadly based on the insight that a number of parents are looking for a household cleaning product to use around their children that is particularly mild, yet effective."

"This is yet one more example of the way we're growing our Baby Care business and our Pampers heritage beyond just diapers and wipes," says Deb Henretta, President, Procter & Gamble Global Baby Care.

Pampers Clean 'n Play will be available in the U.S. early this year wherever Pampers products are sold, at an anticipated retail price of about \$3.99 for a 500 ml spray bottle and \$5.99 for a one liter refill. It joins an expanding Pampers baby care line-up that now includes Pampers diapers and wipes, Bibsters, Wipesters and Pampers children's wear.

BIOPROTECT DONATES ANTHRAX PERSONAL PROTECTION KITS

In response to the recent warnings by the Centers for Disease Control, BioProtect Corp. recently initiated a program to provide its First Defense Anthrax Personal Protection Kits free to certain media companies. The company sent kits last month to CNN, USA Today, and the New York Post. The First Defense Anthrax Personal Protection Kits contain gloves, mask, and sanitary wipes, which comply with the recent recommendation by the CDC.

FRISBY EXPANDING COMFORTEMP INTO FOOTWEAR

Visionary 2002 Awards finalist Frisby Technologies has expanded applications for its ComfortTemp nonwoven into footwear components. The new patent-pending ComforTemp footwear materials were developed jointly with Texon UK, the world's largest producer of cellulose and nonwoven footwear component materials.

The new nonwoven is designed to meet the physical and thermal performance demands of casual, dress, athletic and insulated cold-weather footwear, according to Greg Frisby, COB/CEO of Frisby Technologies. All ComforTemp materials contain Frisby's proprietary thermal additive, a powder-like substance that automatically absorbs, stores and releases heat as required to maintain a balanced temperature. Footwear utilizing ComforTemp components will be available for use in insoles, heel counters and shoe linings, as well as to replace or enhance traditional insulation in cold weather footwear. Patent applications have been filed in the U.S., U.K., Europe and Asia.

JOHNS MANVILLE FORMS STRATEGIC ALLIANCE

Johns Manville announced during Filtration 2001 last month that it has formed a strategic alliance with Technology Transfer & Supply, Inc., Louisville, KY. Under the agreement, Technology Transfer & Supply, (Tek-Tranz) will provide sales and marketing expertise to a focused OEM market segment utilizing fiberglass filter media and specialty filter tubes produced by Johns Manville. This market encompasses a range of applications in liquid, air, gas and vapor filtration/separation. Johns Manville will retain direct sales and marketing responsibility in the HVAC industry.

H&V PURCHASES PRODUCT LINES FROM MEAD

Hollingsworth & Vose has purchased two key product lines from Mead Specialty Papers (Mead UK). The two lines are a saturated Engine Filtration Media and a portion of the Absorbent Papers product line currently supplied from Mead's Devon Valley Mill in Exeter, England. H&V will transfer the production of these products to its mills in the UK, Germany and Mexico.

AQUACELL SUPPORTING PURIFIC WITH MARKETING/AD CAMPAIGN

AquaCell Technologies has scheduled an extensive media campaign for its 30-minute infomercial on the Purific Water Cooler. The infomercial began airing December 13 on 50 stations in major markets for 60 consecutive days -- a total of 3,000 spots -- reaching more than 18 million households a day on both cable and broadcast channels.

PERSONNEL NEWS

GEORGIA-PACIFIC NAMES FARREN

Paul Farren has been named VP&GM of nonwovens for the consumer products group of Georgia-Pacific. Farren formerly served as VP-business operations and supply chain management for the company's commercial business. In his new role, he will be responsible for sales and marketing of all nonwoven products across the commercial, retail and roll goods business in North America.

RAYONIER NAMES BOYNTON TO HEAD FIBERS OPERATION

Paul Boynton has been named VP of Rayonier Performance Fibers, responsible for all aspects of the company's specialty cellulose business. Boynton previously served as VP-performance fibers, marketing and sales. He has worked at Rayonier since 1999. He replaces William Kindler, who recently retired.

FINANCIAL REPORTS

INTERNATIONAL ABSORBENTS REPORTS RECORD 3Q RESULTS

International Absorbents, a developer and producer of environmentally friendly pet care and industrial products, today announced record financial results for the third quarter ended October 31. Third quarter revenues increased by 25% to a record \$3.5 million versus \$2.8 million for the same quarter a year ago. Pre-tax net income grew by 46% to \$898,000.

Revenues for the nine months improved by 31% to a record \$9.2 million, as compared to \$7.0 million a year ago. Pre-tax net income for the nine months grew to a record \$1.9 million.

LEGAL NEWS

BUCKEYE WINS STAC-PAC LAWSUIT

Buckeye Technologies has won its infringement lawsuit against Concert GmbH in Germany involving Buckeye's Stac-Pac European Patent 0 910 542 and German Utility Model 298 23 583. The German court's decision is provisionally enforceable and the court enjoined Concert GmbH from producing or selling Stac-Pac folded bales of material subject to the above rights without Buckeye's permission.

Stac-Pac is a system for folding and packaging nonwoven materials into compressed rectangular units or bales. This system offers Buckeye's customers significant reductions in freight and storage costs as the compressed bales nest more compactly than rolls in trucks and containers. Stac-Pac packaging also allows the efficient supply of extremely narrow widths and enables Buckeye's customers to feed high-speed feminine hygiene and diaper production lines with an uninterrupted flow of materials.

INTERNATIONAL NEWS

SCA IMPLEMENTS EXPANSION PLANS IN HYGIENE SECTOR

As part of SCA's gradual expansion of its Hygiene Products operations, the company is implementing a series of expansion investments in its tissue and incontinence products units.

These projects include the expansion of converting operations at its Kostheim Mill in Germany, which focuses entirely on the manufacture of tissue for large consumers. The investment program also contains a number of machines for the production of various kinds of incontinence products for the European and North American markets. In addition, SCA intends to increase its capacity for the production of high-value recycled fiber pulp at Lilla Edet in Sweden. As an addition to the expansion program, SCA is planning to establish a bio-fuel plant at Lilla Edet to reduce the mill's energy costs.

The company expects the multi-faceted plant to be implemented over the next two to three years.

SCA NAMES NEW CEO

Jan Åström has been appointed president and CEO of SCA, Stockholm, Sweden, replacing Sverker Martin-Löf, who will retire in April. Mr. Åström was previously executive VP and deputy CEO. He has worked for SCA since 1993.

TENOTEX ON TARGET FOR TENOLACE COMMERCIALIZATION

Tenotex Nonwovens, headquartered in Terno d' Isola, Italy, is on schedule for a Spring start up of a new spunlace venture in Benejama, Spain. TenoLace, a new generation spunlaced fabric, will be marketed in North America by Cleaver Associates.

TenoLace is a spunlace fabric produced by a hybrid, staple fiber/wood pulp process. The fabric features enhanced absorbency, softness, and isotropic properties. Tenotex will offer customized grades of TenoLace and will have capability for aperturing, embossing and imparting chemical treatments to the web. Targeted end use applications include personal care, food service, industrial and consumer household wipes.

P&G LAUNCHES SUNNIES SUN PROTECTOR IN ARGENTINA

Procter & Gamble, which up to now had marketed only diapers and moist wipes/towels for babies in Argentina, recently launched Sunnies, a line of towels that contains a sun protector for babies. The company, with an eye on strengthening its brand name in supermarkets, has invested \$30 million in Pampers, its leading brand in the country. At the moment, supermarkets capture 50% of sales of moist towels for babies. Wholesale distributors and pharmacies sell the rest. The total diaper business in Argentina turns over between \$350-400 million annually. Pampers controls more than 40% of this business.

FIBERTEX RECEIVES ISO CERTIFICATION

Fibertex, Aalborg, Denmark, has received ISO 14001 certification for environmental management policy. According to company executives, it is Fibertex's environmental policy to develop, manufacture and supply high-quality products and to act as a trustworthy and reliable supplier.

NEW PRODUCTS

FILTRATION IN A FLATULENCE PAD

Using proprietary filtration technology to control a similar gas (Hydrogen Sulphide) in pulp and paper manufacturing facilities, filtration engineer Jim Huza and his wife Sharron have come up with a unique product they are calling the GasBGon flatulence filter-seat cushion (\$19.95). It is available at www.gasbgon.com.

"The GasBGon cushion applies for all situations in which you would rather be safe ... than sorry," said Sharron, who developed the idea when taking an Internet marketing course as a class project using her husbands' expertise in the process. Understanding human nature, the Huzas have used a humorous approach to introduce three limited edition designer patterns — Musical Solo, Silent But Deadly and The Winner's Circle. "When an outburst occurs," Jim said, "most of us squirm and we pretend we smell nothing unusual. The less reputable among us blame it on the dog."

GasBGon cushions are designed as a discrete and effective solution associated with Blazing Seat Syndrome or second-hand flatulence. It incorporates a sound dampening element followed by a replaceable activated carbon material with an equivalent surface area to that of a football field.

MEETINGS REPORT

FILTRATION DRAWS CROWDS DESPITE SOFT ECONOMY

Filtration 2001 was held at the Navy Pier in Chicago, IL, December 4–6, and even in a down economy the three-day International Exposition and Conference drew 1800 attendees and 122 exhibitors. In his opening remarks, Ted Wirtz, president of INDA, the organizer of the event, commented, "Despite the politics and economics, people need to do business. And they can get their needs met in one place at one time. It just makes good sense – Filtration is a one-stop shop."

To purchase the conference proceedings go to www.inda.org or contact Ann Pleasants at apleasants@inda.org.

Filtration 2002 will be held at the Washington Convention Center in Washington, DC, December 3–5, 2002. Call Marilyn Bellinger at (919) 233-1210, ext. 118; mbellinger@inda.org or Tracey Barefoot at ext. 129; tbarefoot@inda.org.

BEST BOOTHS RECOGNIZED AT FILTRATION 2001

Innovation and friendliness at booths at Filtration 2001 were rewarded with recognition as Best Booths by a panel of judges. The recipients were:

Best Large Booth (more than 200 sq. ft.)

1st Place; Biax-Fiberfilm/Innovent

2nd Place: Schmid Corp.

3rd Place: Chandler Machine

Best Small Booth

1st Place (tie): Struto, Gore Fibers

2nd Place (tie): Perforated Tubes, Conwed Plastics

NEEDLEPUNCH 2002 SCHEDULED FOR MARCH IN GREENVILLE

The biennial Needlepunch 2002 will be held at the Hyatt Regency Downtown in Greenville, SC, March 19-21. The program will include an "Ask the Experts" Panel, Table-top Displays for networking opportunities and, more importantly, the following areas will be covered by knowledgeable leaders in the needlepunch industry:

New products and niche markets

Innovative fibers and fiber blends

Machinery and needle advancements

Increasing line efficiency

Improving quality of fabrics

Special sessions on Automotive, Filtration Geotextiles and a Needlepunch Short Course.

Also featured at Needlepunch 2002 will be John Rich, from U.S. Trust, who will deliver the Keynote Address. Mr. Rich will enlighten attendees about how businesses are coping in today's uncertain economy and how your company can succeed in this fluctuating market. For more information: www.inda.org

RESEARCH UPDATE

USE OF ORGANIC FIBERS INCREASES

Sales of organic fiber products have grown 22% during the past five years in the U.S. and Canada, according to the Organic Trade Association's 2001 manufacturers' market survey. Sales of non-clothing items using organic fibers such as linens and personal care items have grown 39% during the same period. The survey also projects an average annual growth rate of 44% from 2000 to 2005.

The estimated U.S. harvest of 10,799 acres of organic cotton yielded more than 4 million pounds of cotton in 2000 while 11,459 acres were planted in 2001. Harvest figures for 2001 are not yet available.

INDA RELEASES WORLDWIDE INDUSTRY OUTLOOK

INDA has completed an extensive study of the nonwoven industry and is publishing its first edition of the Worldwide Outlook for the Nonwovens Industry. Among its findings:

* The global nonwoven industry in 2001 had roll good sales that exceeded \$14 billion with nonwoven roll goods' volume approaching four million tons. Annual growth has been consistent for many years and is expected to maintain the pace over the next five years.

* Far from maturity, North America, Europe and Japan will continue to grow at a respectable pace. New end-markets for nonwoven fabrics within these three regions are encouraging an increase in production supply and new producers.

* Nonwoven production is rising rapidly in other world regions as their economies expand. This growth has been encouraged by some leading production machinery builders that have available "turn-key" production lines capable of making high-quality nonwoven materials at competitive costs, no matter where in the world.

The study breaks down the world into five major nonwoven producing regions and follows the nonwovens industries' development within region and provides a production forecast for each. The regions included are: Majors (North America, W. Europe and Japan), Latin America (Mexico, Central, South America), Asia-Pacific (China, Taiwan, Korea, Australia, Thailand, Indonesia and others), Middle East (Israel, Syria, Egypt, Saudi Arabia, others) and Rest of World (India, Africa, east Europe, Russia and others).

Finally, the report concludes by furnishing the current and future consumption forecasts of key staple fibers and resins used by the carded and spunlaid processes.

For more information or how to purchase the report: www.inda.org.

THAT'S ALL FOR THIS MONTH

The next issue of the Vision Consumer Products e-Report from INDA will be sent February 11. We hope to see you at the Vision 2002 Consumer Products Conference in New Orleans later this month. In the meantime, feel free to contact editor Michael Jacobsen at 201-612-6601 or email at [mjacobson@inda.org](mailto:mjacobsen@inda.org).

If you do not wish to continue receiving this email newsletter, please respond to apleasants@inda.org and you will be immediately removed from the list.