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VISION News Consumer Products e-Report

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Welcome to Volume 6, No. 4 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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INDA NEWS

2008 VISIONARY AWARD NOMINATIONS DUE THIS MONTH

There is only one month left for nonwovens and consumer products companies from around the world to nominate products for the industry's most prestigious recognition – the 2008 Visionary Award.

INDA, which sponsors the annual award, is accepting nominations through September 1. Now in its seventh year, the award recognizes consumer end products that utilize nonwoven fabrics or employ nonwoven technology during their manufacturing process.

The 2008 Visionary Award will be presented at the VISION 2008 Consumer Products Conference, scheduled for February 11-14, 2008 in Fort Worth, Texas. The process and criteria for the 2008 Visionary Award 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 2006-07.
3. The product cannot have been selected as a finalist in any previous Visionary Award competition.
4. Companies can nominate their own products. While any number of products can be nominated, only one product per company will be selected as a finalist.

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

The nominees will then be reviewed by an INDA selection committee and five finalists will be selected to make presentations at the VISION 2008 Consumer Products Conference. Conference attendees will then vote on the recipient of the award and the recipient is announced on the final day of the Conference.

Last January at the VISION 2007 Conference in Denver, Tyco Healthcare Retail Group's Swim Pants were named as the recipient of the 2007 Visionary Award. Other previous winners include Chicopee's Disaster Relief Blanket (2006); Fiberweb's Resolution Print

Media (2005); Brillo Scrub 'n' Toss (2004), FMJ ChemBio's Civilian Quick Escape Mask (2003) and Procter & Gamble's Swiffer (2002).

To nominate a product, email an explanation of the product to Michael Jacobsen, Visionary Awards coordinator, at [mjacobson@inda.org](mailto:mjacobsen@inda.org). Samples of the product should also be sent to Michael Jacobsen, INDA, 22 Paterson Avenue, Midland Park, NJ 07432 USA.

Call 201-612-6601 with any questions. For more information on the VISION 2008 Consumer Products Conference, log on to www.inda.org.

INDUSTRY NEWS

PLAYTEX PRODUCTS ACQUIRED BY ENERGIZER

Energizer Holdings, Inc. has acquired Playtex Products for \$18.30 per share in cash plus the assumption of Playtex debt. Total value of the transaction is approximately \$1.9 billion.

"We believe this is a great development for Playtex shareholders and employees," stated Neil DeFeo, chairman and CEO of Playtex. "It represents a significant premium over our current trading price, and an opportunity for our shareholders to capture the value that has been created at Playtex over the last several years. For our employees, it means becoming a part of a much larger consumer products business with the scale and resources to thrive in an increasingly competitive environment."

Playtex's sales for its most recently reported 12 months through March 2007 totaled \$641 million. These numbers do not include Playtex's recent acquisition of Hawaiian Tropic, which had 2006 sales of approximately \$112 million. Over 93 percent of the company's sales, including Hawaiian Tropic, are in North America.

Feminine care products accounted for 35 percent of net sales and include Playtex plastic tampons — Gentle Glide and Sport, the number-two selling tampon brand in the U.S. and Playtex Personal Cleansing Cloths.

K-C SECOND QUARTER SALES UP 8%

Kimberly-Clark recently reported that net sales in the second quarter of 2007 increased 8.2 percent to \$4.5 billion, establishing a new quarterly record for the twelfth consecutive quarter. The improvement was broad-based, with organic sales growth of 5% or better for the company's Personal Care, Consumer Tissue and K-C Professional & Other businesses and continued double-digit sales gains in developing and emerging markets.

The company also announced that it entered into an accelerated share repurchase (ASR) agreement with Bank of America for the purchase of approximately 29.6 million shares of Kimberly-Clark common stock at a cost of \$2 billion.

The 8% growth in second quarter sales reflects higher sales volumes of approximately 4%, along with a 1% rise in net selling prices. Sales of personal care products climbed 9.7% in the second quarter, driven primarily by a 6% increase in sales volumes. Net selling prices and product mix both improved slightly compared with the prior year.

Personal care sales in North America were up about 3% compared with the second quarter of 2006, as sales volumes grew 2% and net selling prices rose 1%. Product innovations contributed to solid volume gains in the quarter for Huggies diapers and baby wipes and for Poise and Depend incontinence care products.

These increases were partially offset by lower sales of child care and feminine care products. In child care, sales volumes were down somewhat in comparison with a strong year-ago period that benefited from the introduction of two key line extensions – Pull-Ups training pants with Cool Alert and Pull-Ups Night*Time. Although Kotex feminine care sales volumes decreased year-over-year, they were similar to first quarter 2007 levels.

According to the company, consumers continued to respond positively to innovative Huggies Newborn and Natural Fit diapers and Huggies Little Walkers diaper pants, launched in the second half of 2006.

BASF CLOSSES PRODUCTION AT VIRGINIA PLANT

German-owned chemicals giant BASF Corp. planned to stop production at its Portsmouth plant late last month, according to a company official. The facility produces a superabsorbent polymer used in baby diapers and adult incontinence products.

About 80 BASF employees and 47 contractors work at the plant. Those positions will be phased out by the end of October. Until then, workers will clean and decommission the plant, he said.

In December 2004, BASF said it would consolidate superabsorbent production at its plant in Freeport, Tex., shuttering facilities in Portsmouth and Aberdeen, Miss. The plan improves economies of scale and offers better access to acrylic acid, a key raw material produced at oil refineries on the Gulf of Mexico, the company said.

PGI MANAGEMENT CHANGES TAKE PLACE THIS SUMMER

Polymer Group, Inc. (PGI) and new CEO Veronica Hagen, who was appointed in April 2007, recently formed a new leadership structure that establishes key corporate functions, including operations and research and development, on a global basis.

"This ... will organize PGI for future strong growth, foster greater innovation and manufacturing excellence, and give us an advantage over regional competitors as we continue our pursuit of industry leadership," said Ms. Hagen.

Among the appointments:

- ✓ Mike Hale was named COO and will manage operations for all of PGI's regional businesses in the U.S., Europe, Latin America, Canada and Asia. He most recently was VP&GM for U.S. and Europe.
- ✓ Bob Dale has been named VP-research and development and will lead the company's R&D activities. He previously was VP-sales and marketing for U.S. Nonwovens.
- ✓ Fernando Espinosa has been named senior VP&GM, Europe. Espinosa brings more than 30 years of industry experience in PGI's fastest growing region of Latin America to the European region with a focus on market leadership and growth.

FLUFF PULP PRODUCERS LOOKING FOR HIGHER PRICES

Pulp producers are lobbying for higher prices this summer on the fluff grade used in disposable diapers, baby wipes and sanitary products, according to a recent news report from Reed Business Information. International Paper first attempted an increase, \$30 in June to \$850/metric ton, but Purchasingdata.com says it didn't stick. Weyerhaeuser now is providing supply base support and is trying a \$30 hike this month.

FIBERWEB CLOSING SOUTH CAROLINA PLANT

[From *Nonwovens Industry*] Fiberweb will cease operations at its Gray Court, SC facility by the end of 2007. It is anticipated that the spunbond polyester production line at Gray Court will continue to operate through the third quarter, and perhaps beyond, until that business is transitioned to other spunbond polyester lines at Fiberweb's Old Hickory, TN facility. Approximately 50 employees will be affected.

"The closure of this site is a difficult but essential step to ensure that our operations are capable of competing effectively in very demanding markets" said Dave Rouse, president, Fiberweb Americas. "Although many people have spent considerable time

and effort trying to improve the performance of the Gray Court machine and have met with some success, considerably more effort and expense are required to bring the machine to acceptable performance levels. This closure will enable Fiberweb to focus capital and technical resources on more promising projects. We are actively pursuing finalization of new investments for the Simpsonville, SC site.”

UK STUDY SAYS CLOTH DIAPERS ARE NOT ENVIRONMENTALLY FRIENDLY

Cloth diapers are no better for the environment than the disposable variety, a recent British government study found. "Reusable nappies may reduce demands on landfill, but they still impact on the environment in other ways such as water and energy used in washing and drying them." Ben Bradshaw, the new British health minister and a former environment minister, told the House of Commons.

A four-year study by the British Environment Agency found that the electricity used and greenhouses gases generated washing and drying cloth diapers was equally damaging to the environment as burying disposable diapers in landfills.

The Taxpayers' Alliance said the study was an embarrassment for the government-funded Real Nappy Campaign, which has spent nearly \$5 million over three years promoting cloth diapers, according to one news report. About three billion disposable diapers are thrown away in Britain every year, with only about 5 percent of parents with children in diapers choose cloth.

NEW REPORT LOOKS AT JAPANESE INCONTINENCE MARKET

Research and Markets has published a report called “Incontinence Products – Japan” that offers a guide to the size and shape of the market at a national level. It provides the latest retail sales data (2000-2005) and identifies the leading companies, the leading brands and offers strategic analysis of key factors influencing the market.

According to the report, for the third consecutive year, value sales of disposable paper products in Japan grew in 2004. With a rapidly graying population, incontinence products continued to post the strongest growth. However, other disposable paper products, including sanitary protection, also performed well. A tapering off in price declines, increased activity in new products and efforts to expand the consumer base brought about healthy growth in both volume and value terms.

In response to falling prices of previous years, manufacturers actively took steps to stem this decline by launching innovative products. Sanitary protection products became thinner, with better absorption capacities and better designs. Baby nappies/diapers saw a trend towards disposable pants that look like children's underwear. Incontinence

products benefited from developments in both sanitary protection and baby nappies/diapers.

For more: www.researchandmarkets.com/reports/c61953

CHINA RECALLS SUBSTANDARD DIAPERS FROM RURAL AREAS

[Text of report in English by official Chinese news agency Xinhua]

China's health watchdog has ordered the recall of two brands of disposable nappies [diapers] mainly on sale in the country's rural areas. In a nationwide check earlier this year, the Ministry of Health found that nappies under the brand names Haobeir and Jinglianbangshuang contained excessive amounts of eumycetes - a type of fungus.

The ministry asked the producers – the Quanzhou Ailishi sanitary products company based in southeast China's Fujian province and Zhengding Guangda sanitary products plant based in northern Hebei province – to recall the substandard products.

Local health authorities will penalize the two producers according to the Disinfection Management Methods which came into effect on July 1, 2002, the ministry said. The ministry did not specify the severity of the penalties. According to regulations, the producers face a maximum fine of up to approximately \$658 dollars (U.S.).

As a result of the checkup, three other brands of nappies will receive "punishments" as their product labeling failed to meet national requirements, said the ministry. Companies that continue to market the substandard products will also be punished, the ministry said.

BEATLES FANS DON'T LOVE MUSIC TO PROMOTE DIAPERS

Some Beatles fans are angry that the 1967 peace anthem, "All You Need Is Love," is being used in a new ad campaign for disposable diapers. "For people who feel that political connection, it comes off as kind of a callous action," said Angela Natividad, coeditor of www.adrants.com, a marketing commentary site. "You've got the Beatles, which draws like, religious feelings, and you've got the war."

The "All You Need..." campaign, launched last month for Procter & Gamble's Luvs diapers, particularly bothers some fans who do not like that the song is being used during another time of war to evoke soiled diapers.

Lisa Jester, a P&G baby care spokeswoman, said the commercial, showing a diaper-clad toddler wrestling with a stuffed bear as his smiling family watches, was popular in testing with parents. Jester would not say how much P&G paid to use the song.

Elizabeth Freund, U.S. spokeswoman for Apple Corps Ltd., the London-based group formed by the Beatles that helps guard their legacy, said Sony/ATV Music Publishing (a joint venture of Sony Corp. and Michael Jackson) holds publishing rights for "All You Need Is Love." Sony/ATV does not need permission from surviving Beatles or heirs to license the songs in its Beatles catalog.

PATENT REVIEW

TAMPON FOR FEMININE HYGIENE AND PROCESS AND APPARATUS FOR MANUFACTURING THE SAME

Pub. Number: EP1542633

Appl. Data: EP03769328 20030926

Applicant: Johnson & Johnson GmbH

Inventor: Schoelling, Hans-Werner

Abstract: The invention relates to a tampon for feminine hygiene, with a tapered introductory end, a withdrawal end provided with a withdrawal means and a longitudinal axis, comprising a longitudinally extending absorbent body made from compressed fiber material, the absorbent body being densified more intensely in the region of the longitudinal axis and forming a fiber column, from which longitudinal ribs extend radially outward and flank longitudinal ribs in pairs. The tapered introductory end being formed by the to fiber column, the longitudinal grooves and longitudinal ribs is provided with collecting grooves and collecting ribs to collect menstrual secretions, wherein the collecting grooves are open axially to the front and radially outward and wherein the collecting ribs flank the collecting grooves in pairs. The invention provides for an increased absorption capacity of the tampon in relation to the weight of the fiber material per tampon.

ABSORBENT TAMPON FOR FEMININE HYGIENE

Pub. Number: WO07078413

Appl. Data: US06043011 20061103

Applicant: Kimberly-Clark

Inventor: Schmidt-Forst, Alexander, M.

Abstract: The present invention provides an absorbent tampon having a mass of an absorbent composite compressed into a generally cylindrical shape. The absorbent composite used in the tampon of the present invention has at least a first layer and a second layer wherein the second layer is adjacent the first layer. The first layer is prepared from a first absorbent material having a first physical property and the second layer is prepared from a second absorbent material having a second physical property, wherein the first physical property is the same physical property as the second physical property, but the value of the second physical property is different from the first physical property. By providing layers in the absorbent composite different physical

properties, the tampons of the present invention can have different properties at various locations of the tampon to provide a tampon having desirable features, such as improve leakage protection.

MULTILAYER ABSORBENT CORE FOR AN ABSORBENT HYGIENE PRODUCT AND ABSORBENT HYGIENE PRODUCT CONTAINING SAID CORE

Pub. Number: WO07077215

Appl. Data: EP07000021 20070103

Applicant: Johnson & Johnson GmbH

Inventors: Garcia, Alvaro; Lerner, Katja

Abstract: The invention relates to a multilayer absorbent core comprising a front and a back for an absorbent hygiene product. Said multilayer absorbent core comprises at least one first layer having a front and a back, containing a mixture from superabsorbent fibers, multi-component fibers and regenerated cellulose-based and/or polyester-based fibers, and at least one second layer having a front and a back, containing a mixture from multi-component fibers and superabsorbent fibers, the front or back of the first layer being adjacent to the back or front of the second layer. The invention also relates to an absorbent product for feminine hygiene, containing at least one absorbent core according to the invention.

That's all for this month. Feel free to contact editor Michael Jacobsen at 201-612-6601 or email at mjacobsen@inda.org.

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