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VISION News Consumer Products e-Report

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Welcome to Volume 2, No. 8 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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BREAKING NEWS

INDA ANNOUNCES DATES AND NEW LOCATION FOR VISION 2004 CONFERENCE

The highly successful 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, which sponsors the annual event, announced this week that the Vision 2004 will be held in Las Vegas, Nevada at the Mandalay Bay Hotel. The dates: January 25-28.

INDA decided to take Vision "on the road" in 2004 following in-depth surveying of attendees at the Vision 2003 Conference in New Orleans last January. There was a consensus that after two years in The Crescent City a different site would be welcomed by the hundreds of attendees at what has quickly become the consumer products industry's leading conference and networking opportunity.

The program for Vision 2004 is currently being put together by the Vision Committee and further details, including how to be involved in the prestigious Visionary Awards, will be announced soon.

INDUSTRY NEWS

FEDS CRACK DOWN ON BOGUS SARS PRODUCTS, INCLUDING WIPES

The government earlier this month ordered 48 Web sites to stop promoting bogus ways to prevent and treat SARS -- including the use of disposable wipes -- as health officials urged Americans to beware of quacks preying on their fears. Internet sites are illegally claiming that dietary supplements from vitamin C and oregano oil to colloidal silver and belladonna can treat or cure the new respiratory illness, regulators charged. Others promise SARS "protection kits" that include personal air purifiers, gloves, masks and disposable alcohol wipes.

"Scam artists follow the headlines, trying to make a fast buck with products that play off the news," said Howard Beales of the Federal Trade Commission, which conducted the crackdown along with the Food and Drug Administration.

Many of the products also were advertised as anthrax defenses during the 2001 bioterrorist attack, and the government cracked down then, too.

DIAPER WARS TAKE THEIR TOLL ON K-C FIRST QUARTER NUMBERS

Kimberly-Clark Corp.'s first-quarter earnings fell because of a diaper-market price war and higher energy costs, the company said in announcing its first quarter results recently. Earnings totaled \$408.8 million, compared with \$456.1 million in last year's first quarter. Excluding one-time charges, net income was \$397.7 million, compared with last year's \$439.2 million.

Kimberly-Clark Chairman and CEO Thomas Falk said that net income in the second quarter should be similar to the first quarter's, "given recent cost increases, particularly in fiber, energy and oil-based products, and the current competitive environment." For the full year, the company is "committed to driving sales volume growth and reducing costs," Mr. Falk said.

Revenue for the first quarter was \$3.5 billion, up from \$3.3 billion in 2002. Sales benefited from currency exchange rates as well as volume growth, the company said.

SNEED JOINS CLEAVER ASSOCIATES

Cleaver Associates, Wayne, PA, has added to its impressive executive line-up by adding Scott Sneed to its global sales, technical service and logistics organization. Scott, a Chemical Engineer with an MBA in Finance, brings 20 years of technical and commercial background with Buckeye Cellulose [then a P&G company], Kimberly-Clark, Drypers and AHP. Sneed's initial focus will be on leading a critical new business initiative for CA, while providing additional product development service to current customers.

COLGATE UNVEILS DISPOSABLE DISHCLOTH

With the wipes market seemingly saturated already, Colgate-Palmolive has found another novel application for disposable cloths. Last month the personal products giant introduced Palmolive Dishwipes, a disposable wipe that promises a simpler, cleaner way to wash dishes. To be used, the cloth only has to be saturated with water. The wipes are pretreated with Palmolive dish liquid. Each wipe is designed to wash an entire load of dishes.

The wipes consist of a three-layer construction. The top layer is made of textured fibers for cleaning dishes; the middle layer provides continuous suds and the bottom layer is made of soft fibers that are gentle on the hands. The wipes come packaged in a plastic tub and in two fragrances – original and lemon grove. One 20-count package will retail for \$3.49 when the wipes hit store shelves in August.

MEDLINE OPENS FACILITY

CharterMedLine Industries, Mundelein, IL, has opened a plant to manufacture pre-moistened bathing and cleaning products, including its ReadyBath ready-to-use disposable bathing system. Located in Waukegan, IL, the new 145,000-square-foot site is Medline's sixth facility in North America. Wet wipes and pre-moistened disposable washcloths are among healthcare supplier MedLine's fastest growing product lines. In just three years on the market, ReadyBath has become the second largest selling disposable bathing product system in the U.S. The new facility will reportedly allow MedLine to expand into additional wet wipe product areas.

BBA NONWOVENS ANNOUNCES PRICE INCREASES

In response to "significant and serious raw material cost increases" in the past year, and the threat of even higher raw material costs over the next few quarters, BBA Nonwovens has announced price increases on all of its nonwoven products.

According to the company, in 2002 polypropylene prices increased nearly 20%, and since the beginning of 2003 have risen another 15%. In addition, polypropylene

prices are forecast to rise an additional 10-20% by mid-year. Polypropylene price increases are being driven by both energy-related costs and high capacity utilization of PP manufacturing assets. PET prices are up 18% since the beginning of the year, and while polyester capacity is sufficient to balance supply with demand, costs are expected to continue rising primarily due to higher PET feedstock costs.

"We are strongly committed to remaining a leader in the nonwovens industry by offering high quality products and services in addition to our world-class research and development," the company said in a statement announcing the price increase. "To continue to offer these and other services and to reinvest in new assets capable of delivering further advances, we must raise our prices to offset these higher raw material costs."

RMED NAMES WILSON VP-SALES

Disposable diaper maker RMED International has named Sean Wilson VP-Sales and Marketing. Wilson is responsible for expanding the company's Tushies and TenderCare diaper sales as well as TushiesWipes and RMED's new MotherNature diapers. He has eight years of operations, sales and marketing experience in consumer products.

INTERNATIONAL NEWS

K-C STOPS MAKING MIMITO IN ARGENTINA

Mimito, the brand created by Descartables Argentinos to launch disposable diapers in Argentina in 1986, is being taken off store shelves in that country. Kimberly-Clark, which now owns the brand, decided to replace this line with its own Huggies line, supported by \$2.5 million in advertising this year. Three months ago the company closed its plant in Chile. Now, its Argentinean plant produces the diapers and tissue paper. In 2002, K-C started exporting 35-40% of its production. This year the company plans to invest between \$13-15 million to modernize the equipment and machines of its plant in San Luis province.

TREDEGAR BUILDING FILMS PLANT IN CHINA

Tredegar Corporation recently announced that its Film Products division will build a manufacturing facility in Guangzhou, China, to meet growing demand for its products throughout China and the rest of Asia. The new plant, which is expected to begin production by the end of 2004, will make components used primarily in personal care products such as sanitary napkins and diapers. The company's current operations in Guangzhou will be relocated to the new facility.

Thomas Cochran, President of Tredegar Film Products, said, "Our presence in China and the Asia-Pacific region has been growing rapidly since entering the region in 1997. The expansion of our manufacturing capabilities in China is an opportunity to further penetrate markets where there is significant growth potential for our products."

Tredegar Film Products is a major supplier of apertured, elastic and breathable materials for use in personal care markets. Primary applications include diapers and feminine hygiene products. It also produces films for a variety of packaging and specialty markets. The subsidiary had sales of \$377 million in 2002 and employs approximately 1,200 people at five production facilities in the U.S., two in South America, three in Europe and two in China.

THAT'S ALL FOR THIS MONTH

The next issue of the Vision Consumer Products e-Report from INDA will be sent June 12. In the meantime, feel free to contact editor Michael Jacobsen at 201-612-6601 or email at mjacobsen@inda.org.

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