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VISION News Consumer Products e-Report

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Welcome to Volume 7, No. 2 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

VISION 2008 FOCUSED ON SUSTAINABILITY AND OPPORTUNITY

Topical and informative presentations on corporate sustainability from Wal-Mart and Kimberly-Clark enthralled a standing-room-only crowd during the VISION 2008 Consumer Products Conference, just one of many highlights of the three-day event held February 12-14 in Fort Worth, Tex.

The seventh annual Conference, organized by INDA, brought together more than 300 executives from both the consumer products and engineered fabrics industries from around the world.

Another of the many highlights of the three-day Conference was the presentation of the coveted 2008 Visionary Award to Kimberly-Clark for its new SpaSensials beauty care product. SpaSensials was selected over five other finalists from in voting by VISION 2008 attendees. (See news item below.)

In the most well attended session at VISION 2008, Kim Brandner, senior manager-sustainable textiles, for Wal-Mart Stores, and Ken Strassner, VP-Global, Environmental, Safety, Regulatory and Scientific Affairs at Kimberly-Clark, focused on Corporate Sustainability as a key business strategy in the 21st Century.

“Wal-Mart will only work with suppliers who maintain the sustainability standards we want in our relationships,” said Brandner. “Sustainability is more than just a responsibility, it is a business opportunity.”

Added Strassner, “Sustainability development issues will shape the future of business. Yet we have only begun to tap the surface of sustainability and it is a continual process that helps to better position Kimberly-Clark as a global health and hygiene company.”

Among the other highlights of VISION 2008:

- ✓ A look at the “7 Irrefutable Rules of Business Growth,” by Inc. Magazine senior consultant Steve S. Little. Among his rules: Everyone needs a reason for getting out of bed in the morning, and it is not about money. “It takes many forms, but

one thing is certain: Wealth accumulation is not a sense of purpose of business growth leaders," Little said.

- ✓ A two-part presentation by business consultant John Brandt, of MPI Group, educated attendees on "Creating Value - Swimming in a Profit Pool."
- ✓ A final morning session presented an "Economist's Vision" by Dr. James Smith, of Parsec Financial Management and Western Carolina University. Dr. Smith told attendees how they can project the winner of the 2008 presidential race and also predicted that the stock market will be at record highs by the end of the year.
- ✓ Table-top displays filled a hotel ballroom for the two nights of networking receptions. More than 20 companies - along with the six Visionary Award finalists - took part in the displays.

VISION 2009 HEADED BACK TO NEW ORLEANS

In a major announcement during VISION 2008, INDA revealed that VISION 2009 Consumer Products Conference will return to New Orleans for the first time since Hurricane Katrina ravaged the area. VISION 2009 will be held January 26-29, 2009 at the Sheraton New Orleans Canal Street, site of the original VISION Conference in 2002. For more information: www.inda.org

K-C'S SPA SENSIALS RECEIVES 2008 VISIONARY AWARD

In the closest voting in the seven-year history of the contest, Kimberly-Clark last week received the coveted 2008 Visionary Award for its new SpaSensials at-home spa treatment product.

Targeted at women 40-plus, SpaSensials are an at-home spa-like treatment consisting of intensive moisturizing and conditioning socks and gloves. Advanced technology helps the intensive conditioning formula in SpaSensials products to quickly and effectively absorb into the skin. The nonwoven material keeps moisturizers on the inside, next to the skin.

"We had a diverse and impressive collection of six finalists for the 2008 Visionary Award and all of them were winners by making this far in the process," said INDA's Michael Jacobsen, project coordinator for the Visionary Award program. "Our congratulations go out to Kimberly-Clark and all of the finalists for this recognition."

The other five finalists were:

1. Curity Brand Nursing Pad, Covidien
Covidien (formerly Tyco Healthcare Retail Group) redesigned its nursing pad into a three-dimensional lemon shape that provides a more discreet fit. It has a thinner fluff pulp/SAP core for improved dryness and comfort as well as a tissue layer on the top and bottom to better contain the core.
2. Do-Rite Disposable Dog Diapers, Do-Rites
Do-Rites are nonwoven disposable diaper/garments that are fashionable and also provide the protection of a disposable diaper, without looking like one.
3. PowerTex Glass Cleaner, Ecolab
With applications in both consumer and institutional products, this system offers an environmentally responsible spray bottle cleaning system that uses a chemically impregnated nonwoven "sleeve," a trigger sprayer with a specially designed dip tube system and a bottle.
4. OMop Dry Sweeper Cloths, Method Products
The OMop Dry Sweeper Cloths are disposable dry sweeper cloths made from 100% PLA (Poly-Lactic Acid), a plastic derived from corn, and are designed to be used on a custom sweeping tool.
5. Consumer Shopping Bags, Reliance Industries (India)
These reusable shopping bags are made of reverse printed and laminated BOPP film on a polypropylene nonwoven and are designed to replace conventional paper bags and cotton cloth bags in the grocery and retail market.

For information on the 2009 Visionary Award, contact Michael Jacobsen, 201-612-6601; mjacobsen@inda.org.

INDUSTRY NEWS

KIMBERLY-CLARK LAUNCHES TEETH CLEANERS

Kimberly-Clark is launching DentaBurst freshening teeth cleaners, promoted as an effective way to clean teeth and freshen breath on-the-go. Unlike mints or gum, DentaBurst Freshening Teeth Cleaners remove plaque from the surfaces of teeth, leaving them feeling smooth and clean.

DentaBurst Freshening Teeth Cleaners are available in mint or cinnamon flavors. Each DentaBurst is individually wrapped and smaller than a credit card to allow busy people a convenient way to clean teeth and freshen breath anytime, anywhere. DentaBurst

debuts in a 12-pack with a selection of contemporary package designs to fit an individual's sense of style.

DentaBurst Freshening Teeth Cleaners is currently available nationwide at Target Stores, CVS /Pharmacy, Walgreen's, Rite Aid and many grocery stores.

PGI REPORTS 2007 FISCAL RESULTS

Polymer Group, Inc. (PGI) recently reported results of operations for the fourth quarter and fiscal year ended December 29, 2007. Among the highlights:

- ✓ Net sales for fiscal year 2007 increased 3.7% to \$1.06 billion, driven primarily by growth in the nonwovens segment. Sales for the fourth quarter of \$265.4 million were essentially flat compared to the prior year period.
- ✓ Gross profit for fiscal year 2007 increased 8.1% to \$168.9 million compared to the prior year and the gross profit margin increased by 65 basis points to 15.9% despite significant increases in raw material costs in the fourth quarter. Fourth quarter 2007 gross profit of \$38.9 million was \$2.6 million lower than the fourth quarter of 2006, due primarily to the severe and rapid increases in raw material costs experienced during the last three months of 2007.
- ✓ Growth in the nonwovens segment was the primary driver to the 2007 results with an underlying growth in new business volume bringing nonwoven sales to \$885.7 million for the year. The largest contributor to new volume growth was the ramp up of the Suzhou, China operation followed by year-over-year increases in the Latin American region from assets installed in 2006 and new product introductions in the U.S. region. Net volume growth increased 2% year-over-year due to the offsetting effect of businesses that were exited during the year and lower volumes in the European region.
- ✓ The company recorded a net loss for 2007 of \$41.1 million or \$2.13 per share compared to a net loss of \$34.5 million or \$1.79 per share for the prior year.
- ✓ The company expects growth initiatives during the year, along with price increases implemented to offset raw material cost increases, to produce estimated revenue growth of 5-7% in 2008. The revenue growth rate is expected to be net of offsetting impacts of certain underperforming business lines that were exited during the second half of 2007 as the company consolidated three manufacturing locations.

PANTEX ESTABLISHES SUBSIDIARY IN UAE

[From *Nonwovens Industry*] Pantex International has established a new subsidiary, Pantex-MENA, serving the Middle-East and North Africa. Located in the United Arab Emirates, Pantex-MENA will produce a new, proprietary feminine hygiene topsheet that combines the benefits of both perforated film and traditional nonwovens. Additionally, Pantex-MENA offers a variety of apertured products, derived from thermoplastic resins, for the Middle-Eastern and North African markets.

The Pantex-MENA plant is now partially operational and already producing material for the regional markets. Full production is expected to begin in August 2008.

COVIDIEN REVEALS PLANS TO DIVEST EUROPEAN AI UNIT

Covidien recently announced plans to sell its adult incontinence business in Lille, France, to a private French company. The move is part of its strategy to focus resources on its core healthcare units. The incontinence business had fiscal 2007 revenue of \$109 million, is expected to be renamed Lille Healthcare. The transaction is slated to close in the second quarter of 2008. The divestment follows Covidien's agreement to sell its U.S. retail products business to First Quality Enterprises for \$335 million. This sale is expected to close this quarter.

ANOTHER NEWSPAPER LOOKS AT 'THE GREAT DIAPER DEBATE'

[Excerpted from the *News Tribune*, Tacoma, WA] When it comes to diapering baby bottoms, Lakewood mom Christine Young has tried it all. She has laundered diapers at home, sent cloth diapers to be sanitized by a diaper service, purchased and tossed disposables.

At first, washing cloth diapers for Young's oldest son, now 7, worked well, she says. But by the time he was 2, he was "running out of them." There's no right way, the mother of four insists. You just need to find whatever works for you and your baby. And that can change over time.

For Leah Dennis, a Lakewood mother of three kids ranging in age from 1 to 5, the decision to go disposable was "automatic." "Everybody I know uses disposables," she says. Cloth diapers, she says, sound like "way too much work."

But cloth diapers are making a comeback among families searching for a more natural lifestyle. *Mothering* magazine, the Bible of the natural parenting set, has a cloth diaper cover story in its current issue. The story features testimonials from moms, along with a guide to new products that make cloth diapering easier than ever.

Hillary Ryan, a Tacoma mom, is betting her business on the trend. In January, she launched Wai Baby, a home and online business selling cloth diapers and their accouterments to parents. (The business name, pronounced like the word "way," derives from a Buddhist greeting of respect.)

"The inspiration for the business is showing respect to the baby and to the planet," says the mother of a 9-month-old and a 3-year-old. "I really think (the cloth diaper) is the green product for 2008."

Arguments for and against both kinds of diapers have raged for years.

Parents who choose disposable diapers point to convenience and sanitation in the nursery. They say babies stay dry longer due to modern materials that draw moisture away from the skin, so babies experience less diaper rash. Most point out that they do fewer loads of laundry, which not only saves time but also lowers household water and energy consumption.

Cloth diaper advocates say they're keeping tons of garbage -- not to mention human waste that parents fail to remove from disposables -- out of landfills. The Real Diaper Association, which supports cloth, points out that disposables can take generations to decompose. It also says disposables contain traces of dioxin from the paper-bleaching process and other potentially harmful substances. Finally, cloth diaper users say that babies who actually feel wet once in a while may potty train earlier.

SOUTH KOREAN COURT RULES AGAINST KIMBERLY-CLARK

The South Korean Supreme Court ruled earlier this month in favor of a domestic diaper manufacturer, saying it did not violate a patent of the U.S. firm Kimberly-Clark Corp. The top court upheld an appellate court's ruling that the disposable diaper with a leak-preventing flap produced by LG Household and Health Care Ltd. did not violate the global health and hygiene company's patent.

Yuhan Kimberly, Kimberly-Clark's South Korean subsidiary, filed the suit in 2001 after LG produced diapers with the flap, saying the South Korean firm violated its patent issued in the United States. The Seoul Southern District Court ruled in favor of Yuhan Kimberly and ordered LG to pay 56.6 billion won (\$69.9 million) in compensation to the plaintiff. But the Seoul High Court in 2005 overrode the ruling, saying LG's diapers are not fluid permeable, unlike Yuhan Kimberly's, and thus their effects are different.

PACKAGED FACTS RELEASES 2008 DIAPER REPORT

The U.S. population is always increasing, so the \$7 billion baby care market should be bullish, right? Yet this is not true across the board: Baby wipes, body care items, and feeding accessories posted strong turnarounds in 2003-2007, while infant toys have boomed. Yet such basics as disposable diapers and pacifiers/teethers are struggling. Packaged Facts latest edition exploring the U.S. baby care supplies market explains why the infant sector while finite and mature nonetheless affords some hot opportunities for shrewd marketing.

The recently released report from Packaged Facts features historical and forecast sales patterns, extensive IRI share data, along with tons of Simmons consumer profiles competitive profiles of Procter & Gamble, Johnson & Johnson/Neutrogena, Hain-Celestial, Evenflo, Clorox/Burt's Bees, and others. Packaged Facts provides historical (2003-07) and forecast (2008-12) retail sales figures based on a thorough evaluation of all available marketplace data, both numerical and empirical. For more: <http://www.marketresearch.com>

SCA TO EXPAND CONSUMER PRODUCTS IN RUSSIA

The Russian market for personal care products is undergoing rapid growth. Since 1995 SCA's sales of baby diapers (Libero) and feminine care products (Libresse) have grown continuously, increasing the need for local production. Against this background, SCA has made a decision to open its own production facility in the Tula region south of Moscow to meet rising consumer demand.

Rapid and strong growth is awaited for personal care products in Russia, particularly in the Moscow region where consumer buying power is on the rise. More and more families with children are using disposable diapers and the emergence of hypermarkets and superstores is increasing the availability of these products and changing consumer behavior.

"The Russian market is extremely exciting and this venture is fully in line with SCA's expressed ambition to expand in Eastern Europe, one of our designated growth markets," says Jan Johansson, President and CEO of SCA.

The venture will gradually include all product groups in SCA's consumer portfolio for personal care — feminine care, baby diapers and incontinence care.

KC TO ACQUIRE REMAINING INTEREST IN ITS SOUTH AFRICAN AFFILIATE

Kimberly-Clark has reached an agreement to purchase the remaining stake in its South African subsidiary, Kimberly-Clark of South Africa (K-CSA), from The Lion Match Company (Proprietary) Limited, a subsidiary of FASIC Investment Corporation Limited. Kimberly-Clark currently owns slightly more than 50 percent of K-CSA.

The transaction, which is subject to approval by the Competition Commission, is expected to close in the second quarter of 2008. K-CSA has operated as a joint venture between Kimberly-Clark and Lion Match, or predecessor companies, since 1955. Terms of the purchase were not disclosed.

"Our increased ownership in this successful affiliate bolsters Kimberly-Clark's presence in the country and enhances our growth potential in sub-equatorial Africa," said Tom Davis, president of Kimberly-Clark Middle East, Eastern Europe and Africa. "We have an excellent leadership team in place and this transaction gives us greater flexibility in how we execute our strategies for this region."

K-CSA is a leading manufacturer and marketer of tissue, personal care and business-to-business products and also markets K-C's line of health care products. The company holds strong market share positions in premium bath and facial tissues and in diapers and feminine care products. The company markets these products under the brand names Babysoft, Kleenex, Huggies and Kotex respectively.

The company has delivered, in local currency, high single-digit annual sales growth on average since 2000. Headquartered in Bedfordview, K-CSA operates two manufacturing facilities and includes nearly 800 employees.

PATENT REVIEW

SYSTEM AND PROCESS FOR REUTILIZATION OF USED PAPER DIAPERS

European Patent EP1895235

Applicant: Super Faiths Inc.

Inventors: KIMURA, Yukihiro; FURUMI, Takeo; MURATA, Kyoichi

Abstract: The invention provides a system and method for recycling used disposable diapers, which realizes effective recycling of used disposable diapers in the form of processed waste, and which can flexibly contribute to reduction in CO₂ emission, as compared with the case where used disposable diapers are disposed of without being converted into processed waste.

NANOSILVER-CONTAINING ABSORBENT ARTICLES

Pub. Number: WO2008024426

Inventors: NEUWIRTH, Robert, S.

Abstract: The present invention provides hygienic absorbent articles, such as feminine sanitary napkins, tampons and disposable diapers, having antimicrobial activity that can minimize odors caused by body fluids. The articles of the invention include an absorbent member such as an elongated absorbent portion or pad that contains an antibacterial amount of substantially immobilized nanosilver particles or particles containing silver ions, preferably encased in a granule of a soluble carrier such as dextran, and the like, or a water-insoluble, but water- swellable superabsorbent polymer (SAP).

TAMPON

Pub. Number: US7338483

Applicant: The Procter & Gamble Company

Inventors: Carlin, Edward Paul; Spielmann, Hartmut Martin

Abstract: A tampon for feminine hygiene having an insertion end, a withdrawal end, a longitudinal axis, and an outer surface. The tampon is comprised of compressed fibrous material. The outer surface of the tampon has a plurality of first surfaces and a plurality of second surfaces. Each of the first surfaces has a distal end and a proximal end. Each of the second surfaces has a distal end and a proximal end. The proximal end of the first surface contacts the proximal end of the second surface to form a proximal vertex. The distal end of the first surface contacts the distal end of the second surface to form a distal vertex.

AN ARRAY OF FEMININE HYGIENE PRODUCTS

Pub. Number: WO2008023343

Applicant: The Procter & Gamble Company

Inventors: Schagen, Stephanie; Levy, Julien, Edouard; Adriaanse, Annemarie, Elizabeth Josephine; Neiryndck, Kristof

Abstract: An array of absorbent article products including a first absorbent article product and a second absorbent article product. The first absorbent article product includes a first absorbent article having a first benefit and is at least partially enclosed in a first package. The first absorbent article product further includes first indicia and second indicia. At least a portion of the first indicia corresponds to a first feminine aspirational state. The second absorbent article product includes a second absorbent article having a second benefit and is at least partially enclosed in a second package. The second absorbent article product further includes third indicia and fourth indicia. At least a portion of the third indicia corresponds to a second feminine aspirational state and the fourth indicia relate to the second indicia.

That's all for this month. 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 info@inda.org and you will be removed from the list.