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Welcome to Volume 3, No. 11 of the VISION News Consumer Products e-Report.

The VISION News Consumer Products e-Report is written and distributed monthly 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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GLOBALIZATION AND CONSUMER OPPORTUNITY ARE FOCUS OF VISION 2005

Globalization and Consumer Opportunities, along with unparalleled networking, will attract hundreds of consumer products and nonwovens industry executives to the Vision 2005 Consumer Products Conference, January 16-19, 2005, as the annual event returns to its roots in New Orleans, Louisiana.

Now in its fourth year, the Vision Conference annually attracts more than 500 participants for three days of presentations, discussions and the prestigious Visionary Awards.

Among the highlights of the Vision 2005 Consumer Products Conference:

- ⇒ A “Globalization” session spearheaded by Dieter Brandes, previously an executive with Aldi, the German retailer that has “out Wal-marted Wal-mart” in its native country and is looking to expand its presence in the U.S.
- ⇒ A “Lessons from the Leaders” panel discussion that will bring together the top executives from such influential suppliers as PGI, BBA Fiberweb, Freudenberg, Nordson and Tredegar Film Products to offer their perspectives on the business and to answer questions from attendees.
- ⇒ Presentations from the consumer research firm A.C. Nielsen as part of a “Profitable Consumer Trends” session. That session will also include a look at household cleaning products from the Soap and Detergent Association; a “Marketing To Women” discussion; and a Consumer Trends segment that will feature an informative Consumer Focus Group moderated by The Martec Group
- ⇒ Vision attendees are in for a treat on the final morning of the Conference when INDA will host a breakfast where Peter Richutti, noted Tulane University business professor, will give an entertaining and informative look at “Globalization – The Good, The Bad and The Ugly.” Richutti has been described as a cross between Alan Greenspan and Robin Williams.
- ⇒ One of the certain highlights of the Vision 2005 Conference will be presentations from the finalists for the Visionary Award, given annually to the consumer product that exhibits the best use of a nonwoven fabric. Following the finalist presentations, Vision Conference attendees will vote on the recipient of the 2005 Visionary Award, which will be announced on the final morning of the Conference.

Registration for the Vision 2005 Consumer Products Conference begins this month. For more information, please log on to www.inda.org .

INDUSTRY NEWS

FDA PUBLISHES FINAL RULE ON TAMPON ABSORBENCY ALTERATION

In a notice published by the U.S. Food and Drug Administration (FDA) on August 25, the Agency issued a final rule that had originally been proposed on October 18, 2000, and changes the lowest level of tampon absorbency designation from "junior" to "light."

According to FDA, the change is necessary because the term "junior" can imply that the tampon is "only for young or teenage women when, in fact, [these tampons] may be appropriate for women of any age with light menstrual flow."

In the notice, FDA further notes that risk of Toxic Shock Syndrome is minimized when women use tampons that have the lowest needed level of absorbency and, accordingly, four absorbency standards have been developed – junior, regular, super and super plus – so women can "compare the absorbency of one brand and style of tampons with the absorbency of other brands and styles."

Based on the final rule, manufacturers will have until February 27, 2006 to change labeling for tampons that absorb less than six grams of fluid from "junior" to "light." FDA states that this rule should not present a hardship to manufacturers because it only requires them to change one word on their labeling, and they will have 18 months to do so.

But at least two tampon manufacturers have informed FDA that the rule will have a broader impact on companies that sell feminine hygiene products in the U.S. and Canada. Specifically, the final rule notes that FDA received comments from two manufacturers pointing out that the Canadian designation is "light absorbency" (not "light"). FDA was asked, therefore, to adopt the "light absorbency" designation so that the same terms would be acceptable in the U.S. and Canada.

In response to these concerns, FDA has indicated that it intends to work with Canadian authorities "to harmonize required absorbency terms for tampons."

CES SELLING FLUSHAWAY INTO CHINA

Consolidated Ecoprogress Technology Inc. (CES) recently signed two agreements, each for a minimum of five years, with Hong Kong Champion International Holdings Limited (HKC), a consortium of Chinese companies that makes and distributes retail products, including feminine hygiene.

The manufacturing agreement gives HKC exclusive rights and license to use CES's intellectual property, technology and designs in the manufacture of its eco-friendly feminine hygiene products in China. A separate distribution agreement gives HKC exclusive rights to market, sell and distribute these products inside the Territory, defined as China, Hong Kong, Macau and Taiwan.

CES will supply specialized materials and a technology package to HKC. This package and materials are required for all "Flushaway" licensed production and in the first year will generate revenues of at least \$1 million for CES. In addition, CES will be able to sell HKC produced Flushaway into the global feminine hygiene market outside of the Territory, yielding strong margins. The distribution agreement commits HKC to sell \$5 million of Flushaway in the first year.

CES manufactures and distributes Flushaway, a flushable and biodegradable brand of sanitary napkins and panty liners.

INDA COMMITTEE MEETS ON FLUSHABILITY ISSUES

INDA's Flushability Committee met in July to review test methods that are presently used by member companies to assess flushability of their products. These methods were compared to

those recommended by the WERF report and a compromise was reached on test methods for certain criteria dealing with household toilets and piping, and ejector pumps. Methods dealing with other aspects of onsite and municipal systems will be considered at the next meeting, which is scheduled for November 30 at INDA's offices.

Meanwhile EDANA's Task Force on Flushability will meet in Brussels this month. Thus far, both groups have agreed on similar actions on the items discussed.

AVGOL FORMS SPUNMELT VENTURE IN CHINA

Avgol Nonwoven Industries, Israel, and Hubei Goldkinglong Investment have formed a 50/50 Joint Venture company to produce spunmelt fabrics in Jingmen City, Hubei Province, PRC. Located 300 miles southwest of Shanghai, in Jingmen City's High Tech Development Area, the HGD joint venture is also nearby Xiantao City which is home to several companies that use nonwovens in their products.

HGD will start-up its first Reifenhauer line in January, 2005 and anticipates further expansion within the next two to three years to meet the growing demand within China for spunmelts. HGD will supply customers in the hygiene and medical markets operating in China and other countries in Asia. The first 3.2 meter wide SM"X"S machine will have capacity of 10,000 MTPY and will incorporate the latest REICOFIL technology, including Avgol's proprietary technology and spunmelt production know-how.

ARGENTINA'S PLASTAR ACQUIRES TREDEGAR FILM UNIT

Plastar, S.A., a manufacturer of hygienic, agricultural and industrial films, has acquired the Argentine unit of U.S.-based Tredegar Film Products. Terms of the sale, which includes a Tredegar Film Products plant in the northern Argentine city of San Juan and offices in Buenos Aires, were not disclosed.

In April, Tredegar Film Products had put up for sale its assets in the South American country as part of a strategy aimed at "improving efficiency in the specialty and elastics materials markets." Tredegar Film Products will now concentrate its operations in Brazil, from where it will supply regional markets.

Plastar, which has an installed capacity of 35,000 tons of polyethylene film and exports to Chile, Uruguay and Brazil - where it operates a unit - as well as Mexico, China, Panama, the Philippines, Thailand, Australia and New Zealand, is looking to expand its personal hygiene business with this acquisition. The San Juan plant produces polyethylene film used to manufacture disposable diapers and feminine hygiene products.

BABY DIAPER RECYCLING LAUNCHED IN AUSTRALIA

Knowaste LLC, a leader in recycling technologies, announced that the company's patented disposable diaper recycling technology will now be made available in Australia through a long-term, exclusive relationship with SGS Australia PTY Limited, a wholly owned subsidiary of Geneva-based SGS Group. The deal is a significant step forward for Knowaste in establishing a worldwide market for the recycling of disposable diapers, which, it says, "pose significant environmental concerns when disposed in landfills or incinerated."

Diaper recycling will be made available in the city of Melbourne, with plans to roll out in Sydney, Brisbane and Perth as part of a home diaper delivery and recycling service offered by SGS Australia to households. The program, locally coined "MyPlanet Recycling," launches this month in Melbourne.

In addition to planned operations within Australia, the SGS Group has also purchased exclusive licensing rights to launch Knowaste diaper recycling technologies in the country of New Zealand.

The Knowaste processor sanitizes and recycles the diapers' primary components, wood pulp and plastic. The recycled plastic can then be used in the production of plastic wood, roof shingles and vinyl wood siding. The long fibrous wood pulp can be used in many different applications, including wallpaper, shoe insoles and oil filters. Knowaste has proven in its European operations that a viable and profitable market exists for the recycled end products.

K-C NAMES QUIGLEY TO REPLACE PAYNTER

In a move designed to further elevate the needs of retail customers and shoppers into all elements of its consumer products businesses, Kimberly-Clark has appointed Don Quigley as president of North American Customer Development. He succeeds Bruce Paynter, who has been named president of K-C's newly formed North American Baby Care business, which combines Infant Care, Wet Wipes and Baby Toiletries/Accessories.

Formerly vice president of PepsiCo Customer Development, Quigley will lead the continued evolution of Kimberly-Clark's North American Consumer Sales force into a customer-driven business development organization. He will report to Steve Kalmanson, group president of North Atlantic Personal Care and North American Customer Development.

In this new position, Paynter will be responsible for the company's Huggies diapers and baby wipes and for building its growing portfolio of Huggies brand extensions that to date include changing pads, baby wash and washcloths. Paynter has held a variety of management positions within Kimberly-Clark, including serving as president of North American Adult Care and, prior to that, vice president of Family Care Marketing.

LATEST SWIFFER LINE EXTENSION

(From a Procter & Gamble press release) Say good-bye to your broom and dustpan, and meet the new Swiffer Sweep+Vac! The Swiffer Sweep+Vac is the best of both worlds: the Swiffer dry cloth to pick up fine debris like dirt, dust, and pet hair, paired with a vacuum to pick up larger objects.

Lightweight and compact, the Swiffer Sweep+Vac allows you to clean under and around furniture and appliances with ease. In one easy step, Swiffer Sweep+Vac gets it all—big and small!

And, of course, it's simple to use. To give your floors a great allover clean, just attach the Swiffer dry cloth to the sweeper head; then use the vacuum.

Swiffer Sweep+Vac doesn't require any extra bags. The canister can be removed with the push of a button to easily dispose of dirt and dust.

PATENT REVIEW

Disposable Feminine Hygiene products

Pub. Number WO 2004073758

Appl. Data IL 04000128 2004 02 10

Applicant: The Cupron Corp.

Inventor: Gabbay, Jeffrey

Abstract: The invention provides a disposable feminine hygiene paper-based product selected from the group consisting of sanitary napkins, sanitary pads, panty shields and tampons for combating yeast infections, said feminine hygiene paper product comprising a plurality of fibers coated with an antifungal Cu ++ cationic, water-insoluble form of copper.

That's ALL FOR THIS MONTH

The next issue of the Vision Consumer Products e-Report from INDA will be sent October 11. In the meantime, feel free to contact editor Michael Jacobsen at 201-612-6601 or email at mjacobsen@inda.org .

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