

TWENTY THREE
JACOB HOLM
BASEL, SWITZERLAND
www.jacob-holm.com

2007 Nonwovens Sales: \$160 million

Key Personnel

Poul Mikkelsen, chairman; Stephen Landon, president and COO; Finn Schoning, group controller; Chip Holton, vice president operations USA; Alain Héberlé, plant manager France; Craig DePorter, director of marketing and business develop-

ment Europe; Francois Wurffel, group production manager; Alexis Porcher, global commercial manager; Jean-François De Gruttola, key account director; Ginny Casstevens, sales director—Americas; Amel Sediri, marketing

Plants

Asheville, NC; Soultz, France.

Processes

Hydroentangling (including standard & specialty applications)

Brand Names

Rn'S, Lidro, TAU

Major Markets

Personal Care, Home Care, Hygiene, Packaging, Special & Technical industrial applications

Sales jumped from \$104 million to \$160 million at Jacob Holm as the company underwent full qualification and significant scaling up of its newest line, which is located in Asheville, NC. "We have seen strong demand for spunlace nonwovens in both the U.S. and Europe," said Stephen Landon, president. "We ran 24 hours a day, seven days a week on all our lines to meet strong demand."

By region about \$110 million of Jacob Holm's sales were in Europe while \$50 million were in the U.S. The U.S. sales have increased significantly during 2008 to a current level of approximately \$85 million per annum, as the Asheville site continues to increase its production output.

For Europe, 2007 was characterized by increased sales of higher value-added products into both existing and new markets as well as record production on existing assets to support the higher sales volume. The U.S. not only saw the full qualification and scale-up of the Asheville line, it also saw a rationalization of products and a new focus on products and markets where the company has a clear competitive advantage—the Asheville line is the widest spunlace line with the highest capacity worldwide and is ideally suited to higher value spunlace products, Mr. Landon explained. "We are further optimizing our product output

in the U.S. to meet the ever-growing demand," he continued. "Our current demand exceeds our U.S. capacity with some customers supported from our French plant."

To date, the economic downturn in the U.S. has not impacted business for Jacob Holm there and while pricing pressure does exist on the market, for the most part Jacob Holm's products mainly fall in the top end/higher value market segments that escape some of these pressures.

That said, the U.S. line has performed well ahead of budget on production performance and the company is exploring a number of new product innovation plans for 2009 and beyond. Among these could be a finalized plan for a new line at the Asheville site, which was designed and built for a quick scale up and additional capacity, according to Mr. Landon. Plans for a new line, however, won't be finalized before the second quarter of next year.

In the meantime, Jacob Holm will continue to focus on growth, particularly in markets beyond wipes where its high value spunlace products can bring real value.

"The global spunlace market is growing and becoming far more differentiated, for example cosmetic and personal care applications are showing a lot of innovation and growth but the household market is showing much lower growth and is mainly cost-driven," Mr. Landon said. "Spunlace remains a premium nonwovens technology with the scope to penetrate new industrial markets outside traditional wipe applications."

In fact, Jacob Holm expects wipes to represent only about 65% of its overall volume by 2010 as other applications such as specialty packaging, hygiene components beyond wipes, construction, automotive and cosmetics emerge as major users of spunlaced nonwovens.