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TISSUE WORLD

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View of the Tagus river in Lisbon, Portugal

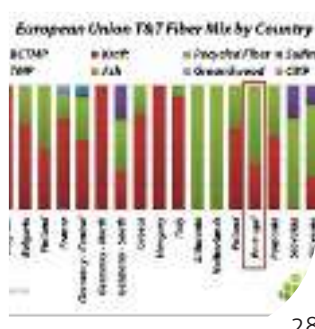
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WITH TOUGH TIMES AT HOME PORTUGAL GETS INNOVATIVE ABROAD

As the industry focuses on the major event in the trade show calendar at Tissue World Barcelona 2013 in March, at long last there are signs of strongly rooted green shoots of recovery in the global economy.

The US 'fiscal cliff' has been avoided for the time being, the eurozone appears to be in safer hands than a year ago and China looks to have avoided the hard landing predicted by many.

TW took the decision to visit Portugal with Barcelona in mind and as a geographical comparison with December and January's country report on Spain. With some foreboding, it must be said, as the country's T&T performance is not stellar. But what we found might be described as an object lesson in survival. Its tissue market is proof that even in economically turbulent times, many of those in the industry can grit their teeth, batten down the hatches and get on with business.

As Helen de Castro, the Brazilian-born director of Fapajal in Lisbon, put it after pointing to an impressive series of expansion plans which she has had to put on hold due to the downturn: "There is light at the end of the tunnel, but it's a very dim light."

And this is why: national unemployment at 17%; retail tissue value sales down 4% last year; government cranking up austerity measures; major debt restructuring; T&T machines all on the narrow end of the trim range; average mill production on the low side by EU comparison at less than 50,000 mt/yr; machine technical age lower than average at 16 years.

But there are plusses: a small cost advantage over bigger nations with a mix in Portugal's mills of 60/40 recycled fibre

to market virgin pulp; private label products gaining most from the economic malaise with 49% tissue value sales in 2008, on a par with the EU average, rising to 64% now; strong localised production; and progressive management looking for every opportunity to diversify and innovate.

Hence you can read about the "the sexiest toilet paper on earth" made at the Renova mill in Torres Novas, and two companies aggressively pushing their sales boundaries.

The tissue industry has reacted to the financial woes by becoming leaner and more cost effective. While only the fittest will survive, in many cases market conditions have helped foster creativity. TW found that there are still plenty of opportunities for differentiation and innovative risk taking, at home and as far afield as former colony Brazil and also in northern Africa and the UK. Flexibility links the two companies both in terms of the variety and speed of production.

There's a chance that the dim light at the end of the tunnel may soon be getting brighter. In return for government austerity measures, Portugal's stronger neighbours and the European Central Bank have an obligation to underwrite the country's debt. So Portugal's cost position suggests it may be poised to enjoy growth again as the rest of the EU and its own economy improves over the longer term. But for now, all eyes are on the inspiring efforts of its producers as they strive to offer sustainable and innovative products despite the tough times.

TW would like to offer a special welcome to everyone attending Tissue World Barcelona in March. The April/May issue of TW will cover the exhibition and conference for those that can't attend.

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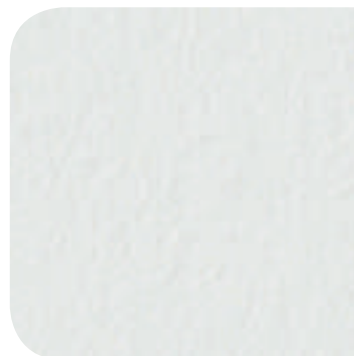


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Recent trends in tissue consumption and manufacturing within the newly independent states of the former Yugoslavia

After the collapse of the Austria-Hungary Empire at the end of WW1, the victorious European majors shaped Yugoslavia, a new country composed of more than twenty neighbouring ethnic groups. The country that began as a kingdom in 1929 became a socialist federation of six states after the end of the WW2: Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Slovenia. The communist country developed its own brand of "socialism with a human face" which helped bring about an economic boom in the 1960s and 1970s and kept trade and diplomatic relationship with western European governments positive.

During the times of Yugoslavia, the country's paper industry employed 200,000 and operated over 70 pulp and paper mills with total capacity of 1.5m tonnes of fibre based production. However, its domestic tissue manufacturing share was low at 7-8%. Gradual inclusion of the newly independent countries into the European market economy encouraged merger and acquisition activity from multinationals including SCA and Procter & Gamble.

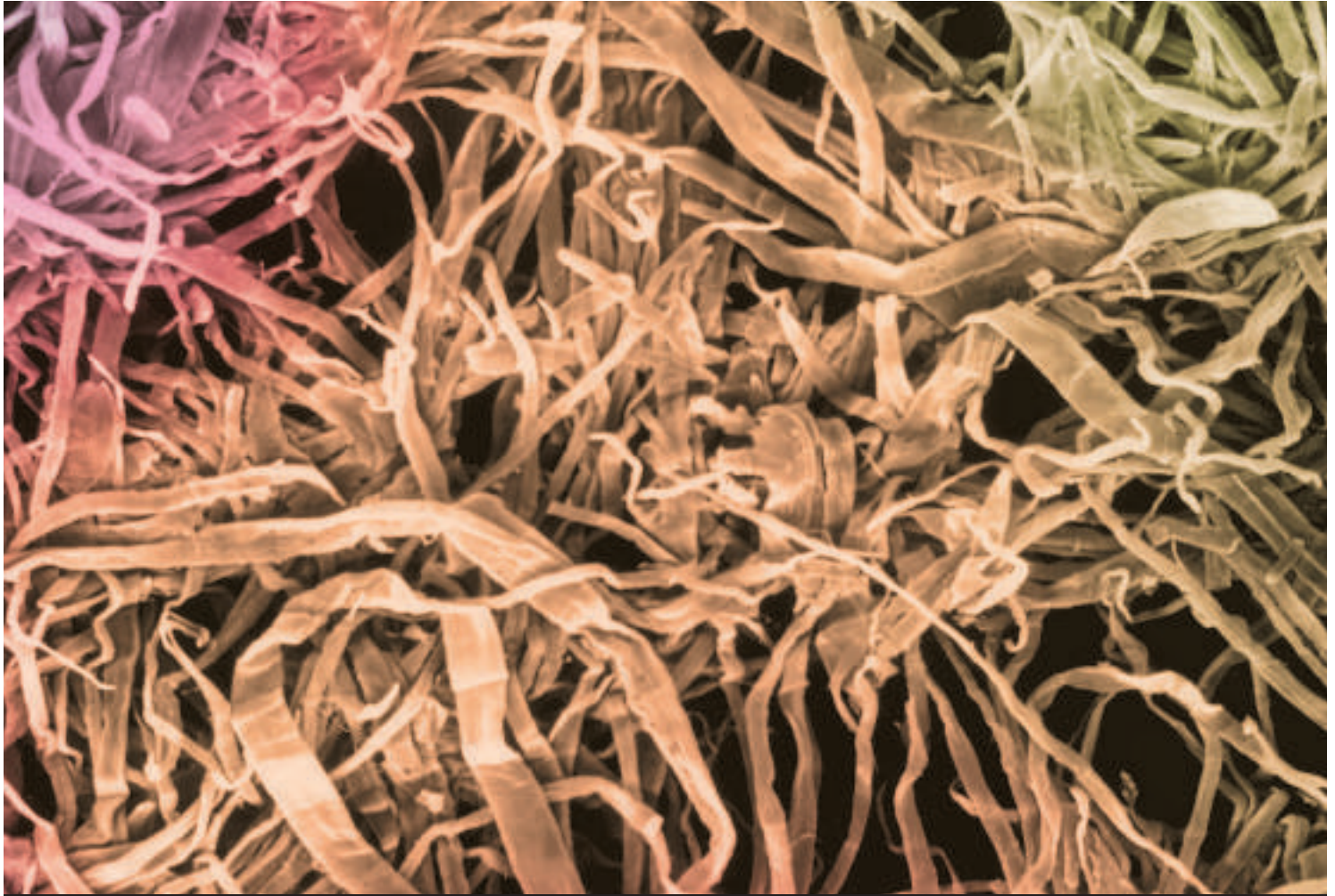
MANUFACTURING IN THE REGION

While present-day tissue manufacturing is marked by the absence of major multinationals, the local industry retains

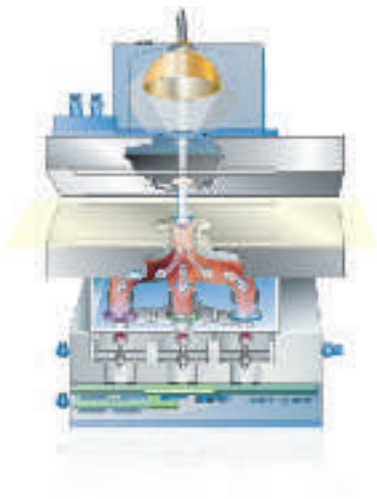
strong brand recognition by consumers. Production facilities are located in Slovenia, Croatia, Bosnia-Herzegovina and Serbia and range from fully integrated tissue mills like Paloma (Slovenia) and SHP Celex (Bosnia-Herzegovina) to small family owned converting shops.

Paloma produces consumer and AfH tissue products and currently manufactures toilet paper, kitchen towels, napkins and tissues, and also jumbo rolls, moisted wipes and tissue paper dispensers. The 755 staffed company makes private label products for retailers and third parties, with its private label sales share around 28% of its output. Sales revenue has remained flat over the last three years at \$112m, but Paloma's 70,000tpy tissue capacity is the highest in the region.

SHP Celex employs 350 staff and is one of eight companies scattered across six countries in central and eastern Europe that make up SHP Group. It manufactures 33,000tpy of jumbo rolls and makes 15,000 tonnes of finished products in its factory in Banja Luka. Sales were declining 1%-2% during the post-crisis years reaching \$47m in 2010. In 2002, a new tissue machine was installed and put into operation which led to jumbo roll production becoming one of its most important income generators. SHP Celex is also looking into



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new options such as hygiene products, sanitary protection and nappies/diapers and it exports to countries including Croatia, Italy, Spain, Portugal, France and the UK.

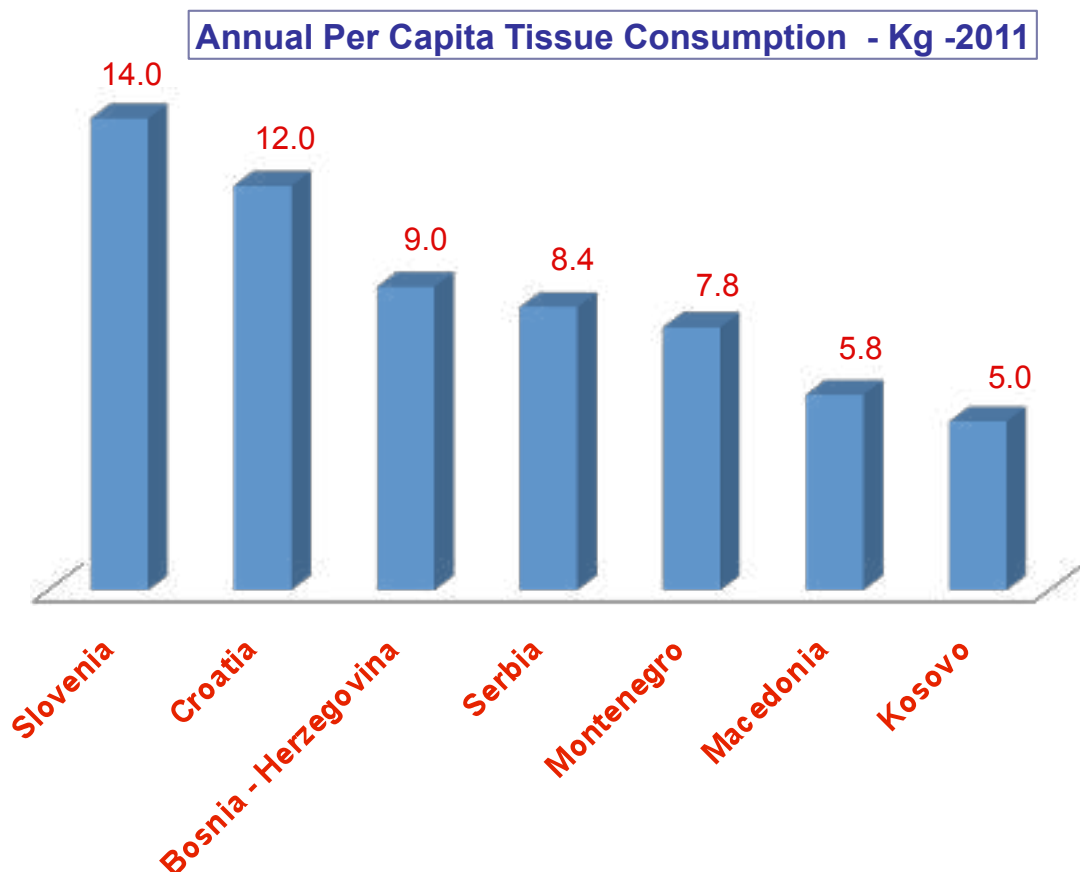
Three companies from Croatia should also be cited: SHP Intim-Papir in Baderna belongs to SHP Group and is a manufacturer and distributor of the AfH brand Harmony Professional brand. Kemo-Papir in Ogulin is a small private tissue converter, owned by Boris Bojcic, which manufactures jumbo kitchen towel rolls under brand name Kingsoft. Deltapapir in Zagreb is a contract manufacturer for Croatian trade group Ultra Gros with over 900 retail outlets in the country.

Violeta is a private company owned by Petar Corluka and had sales revenue of \$115m in 2011. It produces disposable paper products and also operates a national distribution network for its own products and major foreign food, dairy and confectionary brands, with branches in all major cities in Bosnia-Herzegovina. The company employs 630 and converts 20,000 tonnes of tissue products at two plants. The original factory is based in Grude, Bosnia-Herzegovina and in 2011 Violeta opened a new factory in Sveti Ivan Zelina, Croatia. The company has postponed plans to start a greenfield tissue making facility in Livno, Bosnia-Herzegovina, for economic reasons.

Violeta made several successful new product launches in 2011: Teta Violeta kitchen towels and Violeta Premium toilet

paper and tissues. The company also produces private labels for all categories. According to rating agency AC Nielsen, the company's marketing campaign for Teta Violeta kitchen towel in Croatia and Bosnia-Herzegovina resulted in 4% growth of its total market segment. Converting only virgin fibre stock, Violeta uses recycled raw materials for packaging and has an environmental protection policy for its operation. The Violeta brand is a leader in local markets in Bosnia-Herzegovina (53%) and Croatia (21%), and it also exports to Slovenia, Serbia, Montenegro and Macedonia as well as to several EU countries, Iran and Jordan.

Drenik ND is located in Belgrade, Serbia, and is a privately owned business administered by Nebojsa Djordjevic and Igor Peric. It employs nearly 400 staff and has a reported sales revenue of \$59m in 2010; nearly 70% of the Serbian retail tissue market. With the two well-positioned brands Perfex and Boni and, to a lesser extent its Regina brand, the company is present in most tissue and incontinence categories. With its annual production capacity of 30,000 tonnes, the company markets a wide portfolio of tissue products in Serbia, Bulgaria, Croatia, Bosnia-Herzegovina, Macedonia and Montenegro. Its sales share has been declining during the past three years due to tougher competition in the economy segment and the penetration of private label brands (1% in 2011).



MARKET STANDING

SLOVENIA

In the most prosperous country of the former Yugoslavia, 2009 - 2011 were characterised by sluggishness. Previous recession anxieties had caused consumers to give up premium products or reach for economy options in many tissue categories. While tissue consumption reached 30,000tpy with retail tissue sales around \$39m, toilet paper sales remain flat while kitchen towel sales showed some growth (3.5% in 2010 if compared with 2009).

The rise of supermarkets/hypermarkets' private label lines, as well as private labels offered by the wide range of discounters meant important changes to the Slovenian tissue market structure, and also represents an important lift for the power of domestic brands.

Grocery retailers dominated distribution in retail value terms in 2011, with supermarkets/hypermarkets accounting for the majority share while discounter outlets show even higher growth in terms of reach and density throughout the country. As Slovenian consumers grow more sophisticated and adapted to the information age, they turned to internet retailing and direct selling to try to beat the higher priced major brands. Successful trading due to the good value private labels from supermarkets and discounters has forced major brand suppliers to innovate from the threat of losing consumer's interest and loyalty.

CROATIA

Croatia is second to Slovenia in per capita disposable income. Annual tissue consumption in the country is 65,000 tonnes with retail tissue sales reaching \$85m. Croatia's tissue sector posted negative value growth for the third year in 2011. The unfavourable economic environment and declining disposable household income levels continued to contribute to the general trend of frugality and money saving across all categories in tissue business.

Supermarket chains are leading tissue product distribution, maintaining its decade-long position in Croatia during 2011



DM drugstore outlet in Croatia



Competitive brands - Perla, Zewa, Paloma, Kleenex, K-Plus - Konzum PL

and accounting for 23% of total retail value sales. Konzum, the number one supermarket chain, continues to expand its range of quality private label tissue offers (K-plus brand). Supermarket chain Tommy (Domax brand) uses sales promotion booklets and newspaper inserts for all 135 outlets across the county. Drugstores keep second place with 22% ahead of hypermarkets 21% share. The latest rise

of drugstores (being a part of health/beauty retailers) in the distribution of tissue products can be credited to one retailer, DM-Drogerie Markt, the Croatian subsidiary of the German drugstore chain which offers a popular range of private label tissue products under the brand name of Saugstark & Sicher. In 2010-2011 DM-Drogerie Markt invested \$6.6m mostly in opening new outlets.

There are two ongoing trends in the country's tissue consumption that brought a significant drop in volume sales - reduced use of tissue products and general bargain hunting for economy and private labels. Multinational companies assume leadership in tissue products on supermarket shelves helped by own marketing resources that are much stronger than of local players. So it is up to a frugal Croatian consumer to choose from multinational offers of SCA (Zewa), Kimberly-Clark (Kleenex), of Perla (WEPA Lucca), or buy domestic brands Violeta, Harmony or Perfex.

BOSNIA - HERZEGOVINA

Before the war, Bosnia-Herzegovina was home to five of Yugoslavia's largest corporations and the 1984 Winter Olympics. Currently this mountainous country is rebuilding its industry and infrastructure, and seats two major tissue product manufacturers, SHP Celex and Violeta.

While the incomes of Bosnians are yet to recover trailing neighbouring Croatia, local consumers reacted to positive signals in the economy such as growing industrial output, raising exports and easier access to loans. The result was that the tissue segment started showing signs of recovery in 2011, with current retail value sales increasing by 2%, after three years of flat sales (2008, 2009 and 2010) caused by



Fabio Perini Line at Violeta



Domax PL from Tommy supermarkets



Harmony brand from SHP Celex

recession. According to Euromonitor International the main trend within retail tissue is segmentation of premium and economy brands related to consumer income diversification.

With the current annual tissue consumption of 35,000 tonnes (retail tissue sales reached \$46m) demand is expected to grow, with sales set to be driven by the growth of the economy and rising consumer disposable incomes.

Retail tissue sales growth is attributed to consolidation of large store outlets like supermarkets and hypermarkets making them the leading distributors of tissue products. Manufacturers embrace this consolidation since it allows them to reduce the costs involved in negotiating with small regional and local distributors. AfH tissue products continue to develop robustly, with sales being driven by rising demand across the HORECA (HOTel/REStaurant/CAfe) channel.

SERBIA

As the tissue market surpasses the \$80m mark in Serbia,

local company Drenik ND accounted for a considerable 21% value share within the tissue segment in 2011, behind market leader Procter & Gamble Marketing & Services (26%). However, statistics by Euromonitor International also include incontinence and feminine disposables (strongest sales for P&G), so if we separate "true" consumer tissue from "hygiene" products Drenik ND might be the actual market leader.

Serbia, the most populous country (7.3m) in the region, is going through hard times with the decline of birth rate and a weakening in purchasing power followed by the highest unemployment rate in the country's history. As a result, consumers continue to lean towards cheaper economy tissue products, including private label. However, with the annual tissue consumption at 61,000 tonnes, Serbian consumer tissue sales show healthy gradual growth in 2011 both in toilet paper (4.4%) and kitchen towels (6%) if compared with 2010.

As a typical pattern for the region, for many years supermarkets in Serbia represented the main distribution channel for tissue products. Drugstores and non-grocery retailers have the largest capacity for growth even given the fact that currently only two drugstore chains – Serbian Lilly Drogerije and German DM-Drogerie Markt – operate in the country. Despite very dynamic development for the last five years, retailing in Serbia is still missing discounters, however, there are signals that the first discounter will be Lidl Stiftung & Co., a German global discount supermarket chain, already registered in the country.

As a result of the referendum in 2006, Serbia and Montenegro split into two separate independent countries leaving Serbia without access to the Adriatic Sea. The tissue segment dynamics of Montenegro (pop. 0.66m) are very similar to Serbia's with the estimated annual tissue consumption of about 5,000 tonnes.

MACEDONIA

Macedonia's tissue market has an annual consumption of 12,000 tonnes with retail sales of \$16m. It is dominated by regional companies and 2011 was another year of solid performance by the renowned tissue brands, while local tissue converting remained hardly visible.

Despite renewed worries about the strength of the Eurozone economies and the euro itself, consumer confidence is stable, helping tissue sales to sustain solid positive growth in 2011 after the decline of 2009 and the subsequent recovery in 2010. Consumers in the country remain highly price driven, seeking the best possible product for the price offered. Economy tissue products are gradually being abandoned and replaced with standard and premium brands, which are recognised as better value for money, however, private labels failed to attract more consumers and did show flat performance. This was mainly the case with toilet paper and kitchen towels in 2011.

USA

VON DREHLE TO RESTART MISSISSIPPI RIVER PULP MILL, EYES TISSUE PM IN FUTURE

US tissue/towelling producer von Drehle, which said it purchased the 131,000 tonnes/yr Mississippi River Pulp (MRP) mill at Natchez, MS, in January, will soon bring the facility back online and resume selling market deinked pulp (MDIP), a company official told RISI.

The official didn't have a target date for a ramp-up, but noted that getting the pulp mill running was among the firm's "immediate plans."

MRP, formerly owned by Wayzata Investment Partners, closed on 31 October citing weak demand for MDIP.

Contacts said the market tightened up after the closure, which idled roughly 20% of the US MDIP capacity.

Starting the Natchez mill back up quickly would help von Drehle restore the facility's MDIP business. "This will allow us to generate income and evaluate needed improvements and capital investments," the company official told RISI.

Capital investments will include building one or more tissue or towelling paper machines (PM) at the Natchez site, the source added.

Hickory, NC-based von Drehle's tissue/towelling business has grown rapidly, and the firm is interested in raising its capacity to meet the robust current and future demand. That will happen at Natchez, where it not only plans at least one PM but may also add converting equipment.

A timeline on when the firm would build a PM or what its capacity would be isn't yet available. Privately-held von Drehle makes tissue, towelling, and dispenser products for the AfH market.

News from RISI (www.risiinfo.com)

SOUNDVIEW PAPER COMPANY BUYS PUTNEY PAPER

Putney mill's site in Putney, Vermont, USA

Soundview Paper Company has boosted its away-from-home (AfH) product offering after it purchased Putney Paper, a subsidiary of towel and paper products manufacturer APC Paper Holdings.

With the acquisition, the former owner of the Marcal paper plant in Elmwood Park in North America broadens its range of commercial towel manufacturing capabilities, expanding its finished paper product ranges to include tissue, towel and napkin products.

George Wurtz, Soundview's chief

executive, told TW: "Putney's operational capabilities and paper-making skills extend our capabilities in the commercial markets enabling us to continue to grow our presence in the northeast region.

"As to whether we will acquire further, we like the tissue category and are fortunate to have a very experienced executive management team and senior advisors that have worked together in the paper industry for several decades.

"We have tremendous capability to

leverage world-class transactional expertise and financial resources to ensure that we are ready and able to take advantage of opportunities as they arise in the future."

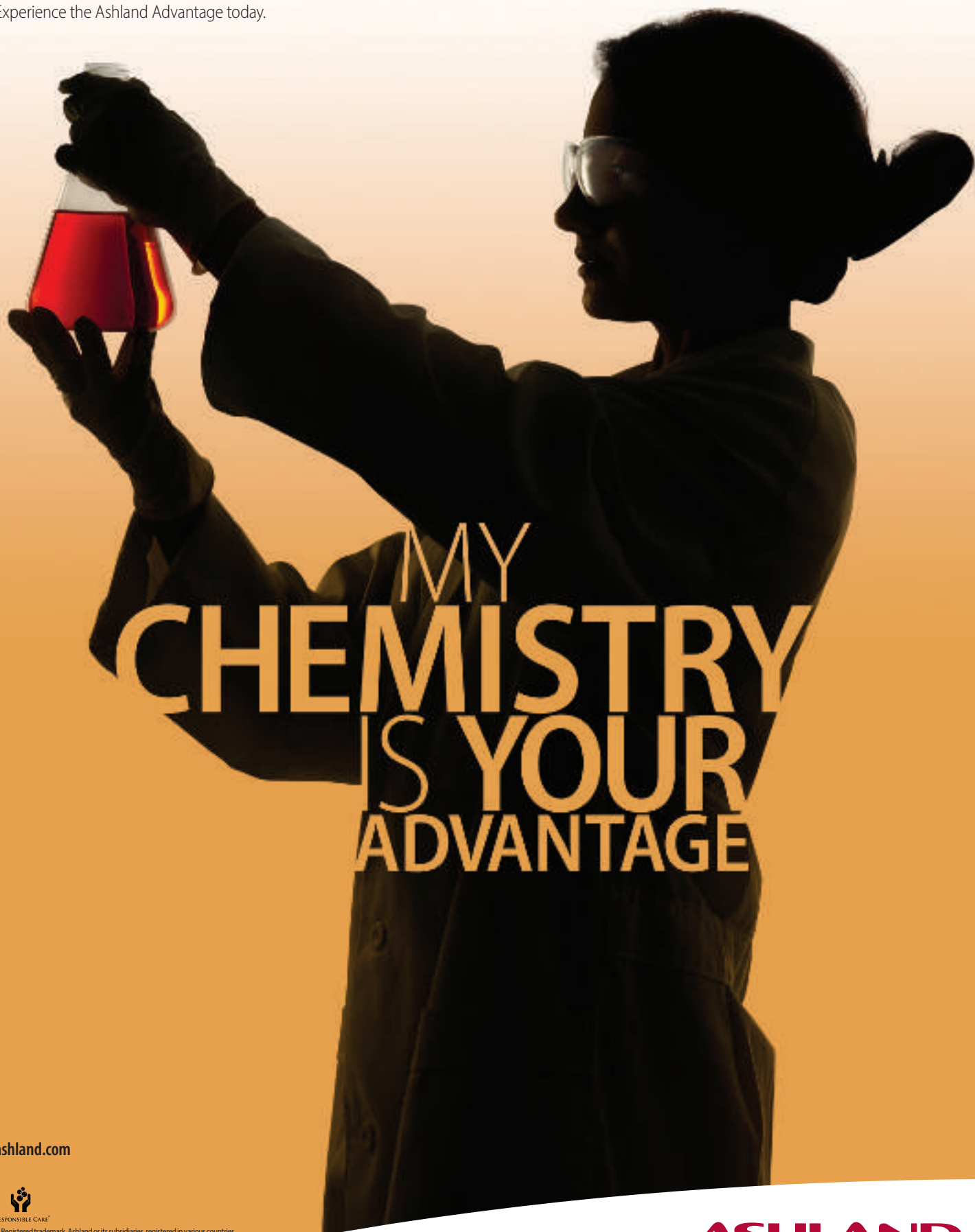
John McLean, senior vice president sales and marketing for Soundview Paper Company, added that Putney is recognised for its high quality commercial towel products and has a heritage of making tissue from 100% recycled paper.

He said: "The acquisition brings a broader line of commercial towel manufacturing capability into our AfH business. This acquisition was very logical. Neither company produces the same products, hence, they are all complementary and accretive to our customers.

"We will continue to look for opportunities to strengthen and extend our portfolio, either geographically or with complementary product lines. We anticipate sustained growth - both organic and through acquisition for the foreseeable future."

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WORLD'S FIRST ADVANTAGE TISSUE LINE TO BE STARTED UP



Metso's Advantage NTT machine

Mexican-based Fabrica De Papel San Francisco is to start up the world's first tissue line based on Metso's Advantage NTT concept.

The new tissue line will add 30,000 tonnes per year of bathroom tissue, napkins and towel grades to the company's existing production.

It is expected to be up and running at the Mexicali-based site at the end of the second quarter of 2013.

Dario Palma y Meza Espinoza, director of operations at the tissue producer, said the Advantage NTT will bring higher production capacity compared to the dry crepe tissue concept.

He said: "After successfully operating

two Metso Advantage DCT tissue machines, we are prepared to take the next step for quality to produce tissue products with higher bulk and softness, with a focus towards top end products."

Metso's scope of supply comprises a complete 2.6m-wide Advantage NTT tissue machine equipped with an OptiFlo II TIS headbox, a Metso Yankee cylinder, an Advantage AirCap Yankee hood, sheet control, tail threading equipment, an Advantage WetDust dust management system and an Advantage SoftReel reel.

The supplier said the technology enables "high bulk and softness properties" as well as "providing energy savings compared to conventional or

structured tissue grades".

Fabrica De Papel San Francisco already operates two Advantage tissue machines, one of which started up in 2006 and the other in 2009.

The company's PM4 set a then world speed record of 2,160m/min in 2009 and its PM5 achieved a record-breaking rapid start-up in 2009, reaching a production speed of 2,100m/min 12 days after start-up.

Fabrica De Papel San Francisco now operates four tissue production lines and converting facilities, delivering tissue products for the Mexican and US market.

KIMBERLY-CLARK DE MÉXICO IMPROVES 4Q12 NET INCOME BY 26% TO \$95 MILLION

Kimberly-Clark de México (KCM) yesterday reported that its fourth quarter net income reached Peso \$1.2 billion (\$95 million), an increase of 33% over the same period of 2011. Meanwhile, net sales totalled Peso 7.7 billion or 9% higher in the yearly basis. EBITDA also showed annual growth of 26% totalling Peso 2.2 billion.

"Our strategies have worked and as a result, organic sales grew 6%

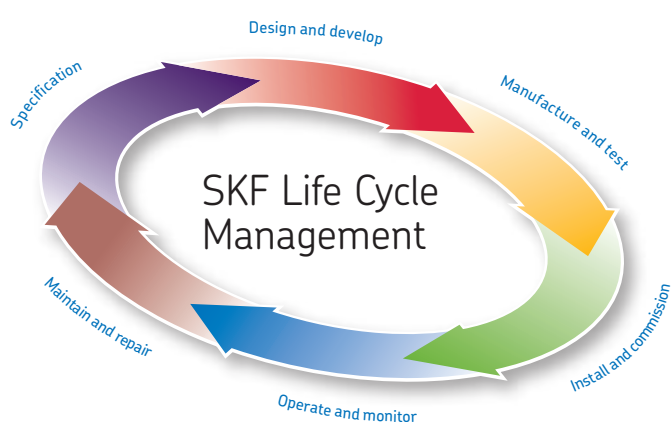
highlighted by a 7% increase in consumer products. All of our consumer products categories posted growth and those where we see great growth potential, like wet wipes, kitchen towels and incontinence products continued to show accelerated growth. Sales of away from home products in our professional business posted a 14% increase", the company said in a statement.

KCM's export business sales were lower than last year mainly because more production capacity was dedicated to consumer products. "We had better dollar denominated prices in most raw materials which, in addition to improved manufacturing efficiencies, continuous cost savings, and a positive exchange rate comparison translated into a positive cost scenario."

News from RISI (www.risiinfo.com)



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China

PMP GROUP TO SUPPLY NEXT INTELLI-TISSUE® MACHINE TO CHINA



PMP Group's Intelli-Tissue® 900 EcoEc line

PMP Group has signed a contract with Chinese producer Henan Hulijia Industrial CO to install an

Intelli-Tissue® 900 EcoEc line.

The Intelli-Tissue® 900 EcoEc machine has a double-press configuration, a

design speed of 1,200mpm and a reel trim of 2.85m.

TM start-up is scheduled for the end of 2013 and it will produce 52 tpd of virgin fibre-based tissue.

PMP's scope of supply covers the approach flow system, entire tissue machine - including auxiliary systems like lubrication, steam and condensate, mechanical drive, electrical drive and tissue machine controls.

The line will be designed in Europe and manufactured in China and Poland.

Intelli-Tissue® 900 EcoEc was introduced to the market in March 2012.

VINDA STARTS UP TWO 20,000TPY TISSUE PMS IN CHINA

Vinda International Holdings has fired up two new 20,000tpy tissue paper machines at sites in China.

The PMs came online in mid-December; one is located in Jiangmen city, Guangdong province, and the other in Xiaogan city, Hubei province.

Both were supplied by Toscotec and

have a wire width of 2.8m.

Both sites will also see another 20,000tpy Toscotec tissue machine start up by February 2013.

Vinda's tissue capacity in China will then total 620,000tpy.

In November, two 20,000tpy Toscotec

tissue PMs were commissioned at the Jiangmen mill.

A pair of 15,000tpy Kawano Zoki tissue PMs started up recently at the firm's plant in Anshan city, Liaoning province.

News from RISI (www.risiinfo.com)

ORIENT PAPER ANNOUNCES TISSUE PAPER PRODUCTION LINE UPDATE

Orient Paper has secured the land lease of 200,000 square metres for its new household and tissue paper production facilities.

The Chinese producer also signed the construction and installation contract for the first production line in these facilities through its subsidiary Hebei Baoding Orient Paper Milling.

The lease is located in the Wei County Economic Development Zone in Hebei Province.

Orient Paper has also signed a construction and installation contract with a leading paper manufacturing equipment provider in China for the first of its two household/tissue

paper production lines, each having a designed capacity of 15,000tpy.

The consideration for the first production line under the contract is RMB31m, with installation scheduled to be completed by the end of the second quarter of 2014.

The company estimates that the total cost of the two tissue paper production lines and related facilities will be approximately US\$43.5m.

Zhenyong Liu, chairman and chief executive, said: "Orient Paper is making steady progress with our business expansion into the tissue paper sector, as previously announced.

"Our strategy is to tap on under-served markets and benefit from the growing urbanisation of China's rural regions, and we see great potential in the household/tissue market in north China."

He added that the tissue paper business is one of the company's key future growth drivers.

"We are confident that the expansion into this sector can provide long-term value for our shareholders."

Orient Paper manufactures and distributes packaging paper (corrugating medium paper), offset printing paper and household/tissue paper.

Top secret: Largest, widest worldwide ANDRITZ *PrimeDry* Steel Yankees



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resulting in greater safety and 8-10% better machine performance than cast Yankees. Of the 50 ANDRITZ *PrimeDry* Steel Yankees already sold, 13 are in the large size range (> 18 ft. diam. resp. > 6 m shell length), amongst them the world's largest operating Steel Yankee for tissue.



CLEARWATER'S SHELBY TAD TISSUE MACHINE STARTS PRODUCTION

America's Clearwater Paper Corporation has boosted its private label consumer tissue offering after it announced its Shelby-based TAD tissue machine started production.

The additional production and distribution capability at Shelby is expected to increase its ultra and premium offerings to existing southern and East Coast customers.

The first finished tonne and converted product was produced on 13 December. Gordon Jones, chairman and chief executive, said: "Construction of all phases to date of the nearly one million square foot facility came in on-time and on-budget."

Upgrades to a second Clearwater Paper TAD paper machine at the company's facility in North Las Vegas have also

been completed. The enhancements enable the facility to produce TAD ultra bathroom tissue and household towels.

Collectively, the two TAD machines will create new opportunities to expand the company's private label consumer tissue business around its existing national manufacturing presence.

"The completion of the flagship facility in Shelby fulfills one of Clearwater Paper's primary business strategies — to focus on growing the consumer products segment of the company." Linda Massman, president and chief operating officer

Linda Massman, president and chief operating officer, said: "The completion of the flagship facility in Shelby fulfills

one of Clearwater Paper's primary business strategies — to focus on growing the consumer products segment of the company.

"Combined with the recent upgrade at our North Las Vegas facility, these two important projects have helped Clearwater Paper achieve our goal of a coast-to-coast manufacturing footprint focused on best serving our private label customers."

Clearwater Paper manufactures quality consumer tissue, away-from-home tissue, parent roll tissue, machine glazed tissue, bleached paperboard and pulp at 15 manufacturing locations in the U.S. and Canada.

It is a premier supplier of private label tissue to major retailers and wholesale distributors.

Europe

SOFIDEL TO SNAP UP PART OF FORMER G-P TISSUE BUSINESS IN UK, IRELAND, BENELUX

Italy's Sofidel might become the new owner of part of Georgia-Pacific's (G-P) tissue business in the UK, Ireland and the Benelux countries.

SCA and Sofidel signed a sales agreement for the former G-P manufacturer branded business in these countries in December.

The deal is part of SCA's acquisition of G-P's European tissue business, which was closed in July last year.

At the time, the European Commission found that the proposed transaction, as initially notified, would have raised competition concerns in the UK and Ireland regarding the production and supply of both manufacturer branded and private label toilet paper and household towels.

Similar concerns were identified in Sweden for the production and supply of private label toilet paper and household towels, and in the Netherlands for the production and supply of branded household towels.

To address the concerns in the UK and Ireland, SCA and G-P offered to divest a production facility and a range of toilet paper and household towel brands including Thirst Pockets, Inversoft, Kittensoft, Nouvelle and Dixcel.

"SCA and Sofidel are now awaiting approval from the European Commission, but have no indication if and when the planned transaction might be approved."

For retailer branded products, the parties said they would divest a tissue making plant and associated paper making capacity.

Regarding the concerns in Sweden, the parties offered to divest one of their integrated production facilities in Scandinavia, which has paper making capacity and several converting lines.

In the Netherlands, SCA and G-P said they would grant a license for their Lotus and Lotus Moltonel brands to a buyer that would then undertake a

re-branding exercise. In order to protect the viability of this commitment, the license would also cover Belgium and Luxembourg.

A spokesperson for SCA told RISI that the sales agreement with Sofidel covers the former G-P manufacturer branded business (toilet paper and household towels) in the UK and Ireland, including production capacity at the Horwich mill.

Moreover, the planned deal includes the former G-P consumer tissue manufacturer branded business (Lotus and Lotus Moltonel) in Benelux, including an exclusive time-limited license to use these brands in Benelux.

G-P's former retailer brand business is not part of the planned transaction. According to the spokesperson, SCA and Sofidel are now awaiting approval from the European Commission, but have no indication if and when the planned transaction might be approved.

News from RISI (www.risiinfo.com)



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HENGAN STARTS UP 60,000TPY TISSUE PM IN CHINA

Hengan International has fired up a 60,000tpy tissue PM at its site in Wuhu city, Anhui province, China.

The Voith Paper unit, PM14, is 5.6m wide and has a design speed of 2,000m/min.

The start-up has raised the firm's total tissue capacity to 910,000tpy, securing its leading position in the Chinese tissue market.

Earlier this year, Hengan commissioned five other 60,000tpy tissue paper machines at various sites.

PMs 11 and 12, supplied by Andritz, are located in Chongqing municipality.

Two other Andritz machines, PMs 15 and 16, are at Hengan's flagship plant in Jinjiang city, Fujian province.

And PM13, a Voith Paper unit identical to PM14, is at the Wuhu mill.

Expansion goes on: Hengan is continuing to expand aggressively, having ordered eight more 60,000tpy tissue machines.

Andritz and Metso Paper will each

provide four PMs, which are scheduled to come online by 2014.

The Metso units will all be 5.6m wide and have operating speeds of 1,900m/min.

Two will go to Hengan's site in Weifang city, Shandong province, and the other pair to the Wuhu site.

The Andritz machines will have a similar size and speed. Two will be erected at the Chongqing plant and two at the Changde mill, in Hunan province.

UK

DISLEY TISSUE STARTS UP METSO-SUPPLIED YANKEE HOOD AND DUST CONTROL SYSTEM



The Yankee Advantage AirCap hood and Advantage WetDust dust control system at UK-based Disley Tissue

UK-based Disley Tissue has boosted its capacity with the successful start up of a Metso-supplied Yankee Advantage AirCap hood and Advantage WetDust

dust control system.

The supplier said the system is based on the latest technology and best energy saving principals, and

"remarkably increases the production without affecting the current energy consumption".

The Advantage WetDust system applies the patented concept of a fully wet system to capture dust at the source by encapsulating it in water.

Disley Tissue is located near Manchester and operates in association with Connect Hygiene Products and Peter Grant Papers to provide high quality tissue parent reels and converted tissue and towel products.

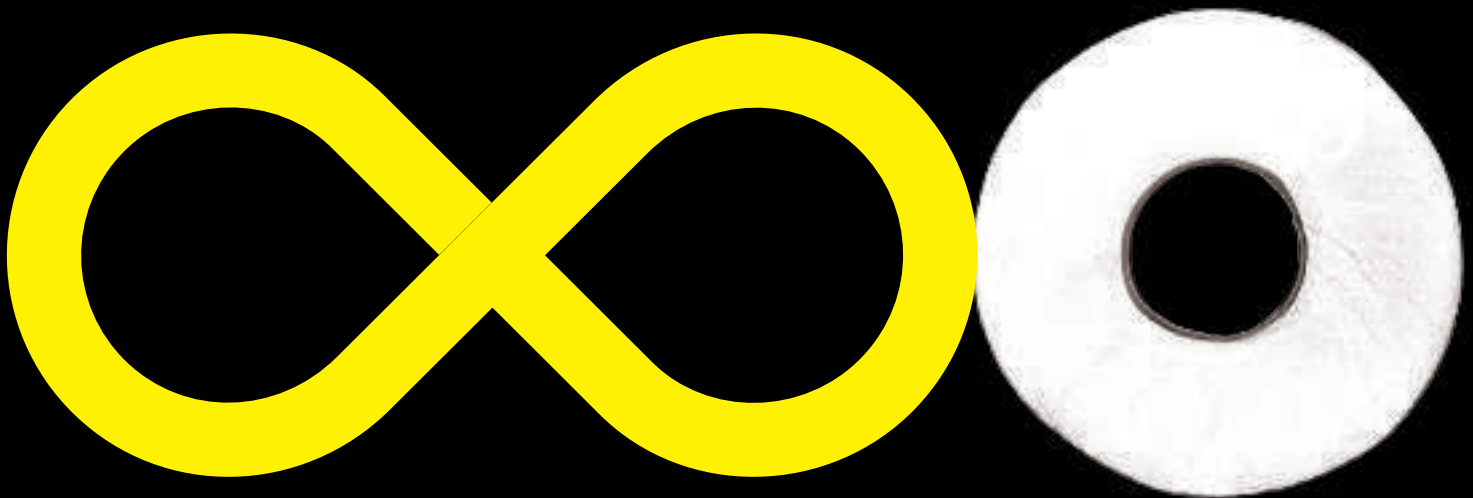
'The Advantage WetDust system applies the patented concept of a fully wet system to capture dust at the source by encapsulating it in water.'

The company is a supplier in the away from home market with an annual production of 35,000 tonnes of tissue per year and seven million cases of converted products.

Chris Wickham, managing director of Disley Tissue, said: "We chose Metso because it provided the best technological solution for the hood replacement and new dust system; to improve the health of our employees, reduce our impact on the environment and improve our cost base considerably."

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Chile

EMPRESAS CMPC BOARD APPROVES SPENDING \$500 MILLION IN 2013 ON GUAÍBA PULP MILL EXPANSION IN BRAZIL

Chilean pulp producer Empresas CMPC's board today approved a capital increase of \$500m and authorised the company to issue approximately 155.6m new bonds.

The company said last month it will spend up to \$750m on capital projects in two stages over the next four years: the \$500m approved today during the first half of 2013, and the remaining \$250m within the following three years, according to company or project needs.

The full amount will be applied to CMPC's pulp and paper projects across Latin America. CMPC is working on its

1.3m tpy bleached eucalyptus kraft (BEK) second pulp line at the Brazilian CMPC Celulose Riograndense unit, located in Guaíba city, Rio Grande do Sul state, southeast Brazil. The Guaíba facility, which currently produces 450,000tpy of BEK, will likely start up the new capacity in the first quarter of 2015.

The company is also moving ahead with its second plywood line at the Mininco facility, located in La Araucanía region, Chile. The objective is to increase Mininco capacity from 240,000 m³/yr to 500,000 m³/yr.

In tissue, CMPC plans to continue

expanding capacity in Chile and to install a new 54,000tpy tissue paper machine (PM) at the Talagante facility.

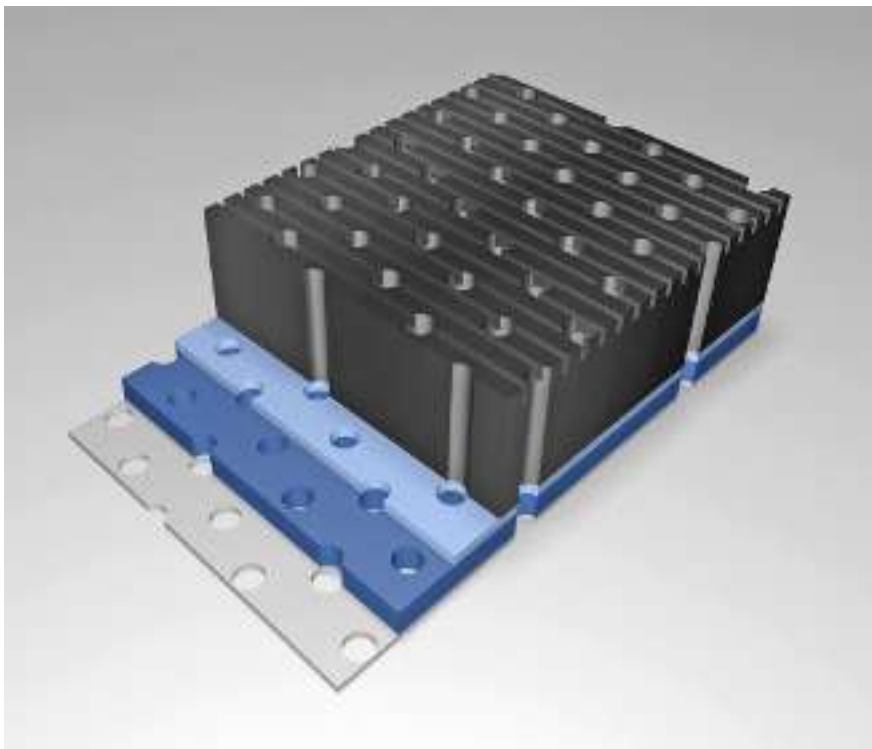
Finally, the company will expand its Chimolsa molded pulp tray facility, located in Punte Alto, Chile, by 30% to better supply the Latin American market.

CMPC said part of its investments will be supported by the Brazilian National Development Bank (BNDES) which will provide a loan of up \$1.2bn. The company will also sell some noncore assets to finance these project.

News from RISI (www.risiinfo.com)

Global

VOITH LAUNCHES MAJORSOFT AND MEGASOFT RUBBER ROLL COVERS



The MegaSoft roll covers which “provide higher dewatering performance due to additional grooves.”

Voith has targeted the tissue market with the launch of its MajorSoft and MegaSoft rubber roll covers.

The products “ensure especially long-lasting and efficient operation” according to the manufacturing giant,

while an improved polymer matrix leads to reliable tissue production.

Other benefits include: roll covers have an improved multilayer structure, and the bonding force between the individual cover layers is four times as strong as with conventional rubber roll covers.

Tests over several years show that MajorSoft is very long-lasting and durable and at the same time it improves production efficiency.

MegaSoft has an innovative functional layer that consists of a special rubber polymer matrix characterised through better wear resistance and mechanical strength.

In test runs a tissue machine achieved a production speed increase of 25m/min, dry content was 1.2% higher and total production increased by 1.3% due to MegaSoft.

Voith claims that this means a tissue manufacturer can save nearly 180,000 euros annually by using the product.

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GAMBINI'S FLEXLESS TECHNOLOGY ACHIEVES EVEN NIP



President Giovanni Gambini in front of the TouchMax

Gambini has said its FlexLess Technology enables businesses to use rubber embossing rolls that do not bend when working under pressure changes, resulting in the NIP remaining even.

The FlexLess technology is easy to manufacture and assemble and there is no need to stop the machine to set up the NIP. Additionally, no adjustment is needed when the rubber wears out.

Paolo Lazzareschi, technical director of Gambini, said: "FlexLess is perfectly interchangeable with any existing machine, including non-Gambini machines, and solves a problem that

has been a great concern until now."

In October 2012, the company also launched the TouchMax embosser, which it said is "regarded as the safest and most flexible embosser in the world."

Sales and marketing manager Carlo Berti said: "You don't need to get into the machine or change a part of it to change the product. It is also very user-friendly: to change the product you just have to press a button on the HMI panel, it needs no other adjustments, as it is completely automatic and very intuitive."

"TouchMax is targeted towards dynamic

developing markets or more mature regions, where evolution is moving towards product diversification and the increase of private labels."

He added that the unit is unique because it is "extraordinarily flexible" for fast changeover times and because it can laminate in a random or synchronised configuration with its five steel rolls always on board, two of which can emboss the lower ply while the other three can emboss the upper ply.

Gambini also offers options to reduce a company's environmental impact and energy consumption.

Lazzareschi added: "Our machinery has high energy efficiency ratings, extremely efficient regenerative drives and high efficiency motors."

"Operationally, we try to reduce the use of motors that have to be kept running 24 hours a day, reducing consumption and getting rid of pumps."

President Giovanni Gambini added: "The investments made in R&D over the last few years have been rewarded by the market: turnover rose by 88% from 2006 to 2012."

"Likewise, the number of complete lines and single units working every day all over the world has risen to 70 and 400 respectively."

Brazil

BRAZILIAN SANTHER NAMES SCHMIDT AS NEW CFO; 2012 SALES RISE

Brazilian tissue producer Santher last month appointed Marcelo Schmidt as its new chief financial officer.

The executive takes over the role from Plínio Haidar Filho, who remains with the company as chief executive, a position that he has held since December 2010.

Schmidt has experience of organising and structuring financial and

accounting areas, as well as conducting corporate/capital restructuring and M&A processes.

Previously, he was chief financial officer of Abril Educação, controlled by the publishing company Abril Group.

Santher hasn't yet disclosed its final financial figures for 2012, but in the first nine months of last year net revenues were 6.6% higher year-over-year, at

Real 773m.

In the third quarter of 2012, the company invested Real 5m to expand and diversify its mills and work on its new distribution centre's infrastructure.

The distribution centre was installed last April in Arujá city, São Paulo state.

News from RISI (www.risiinfo.com)



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Sweden

SCA FINALISES HALT OF TISSUE PRODUCTION AT JÖNKÖPING MILL IN SWEDEN

SCA has permanently closed its 25,000tpy Jönköping tissue mill located in southern Sweden. Production was stopped in December and the site's machinery is up for sale.

SCA revealed plans to close the facility due to overcapacity of mother reels in September last year and sent out layoff notices to all 42 workers soon after that.

'SCA revealed plans to close the facility due to overcapacity of mother reels in September last year.'

Negotiations with unions have been finalised and most of the employees have already left the company, either after being made redundant or through early retirement, an SCA spokesperson said. Some employees remain at the site, restoring the factory and taking down the production machinery.

A few of these will leave the company through redundancy and some will move to other positions in the firm, the spokesperson added.

SCA is renting the Jönköping facility and site from Munksjö. The rental agreement expires in mid-May this year.

News from RISI (www.risiinfo.com)

Columbia

PRODUCTOS FAMILIA STARTS UP VOITH-SUPPLIED TISSUE MACHINE

Columbia tissue producer Productos Familia has boosted its tissue paper production capacity after it installed a Voith Paper machine.

The new TM7 has been installed in the Cajica plant where another Voith Paper machine has been successfully running since 2006.

With the successful start-up of this project, which occurred in the second semester of 2012, Productos Familia will increase its production of tissue paper to 40,000tpy.

The machine is designed for a speed of 2,000m/min, with 3,460mm paper width at the reel.

Voith's scope of supply included the tissue machine with basic and detailed engineering, dust extraction system and high-performance hood from Voith Air Systems, designed for reduction of gas consumption; approach flow, vacuum system, complete automation with MCS, DCS and scanner (QCS); installation supervision, commissioning and start-up.



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THE TISSUE WORLD RUNNABILITY AWARDS

CELEBRATING 20 YEARS OF TISSUE MAKERS GETTING TOGETHER

Since 1993, Tissue World (www.tissueworld.com) has been the world's meeting place for the soft hygienic tissue paper business. Now, on the 20th anniversary since Tissue World was created, the organizers wish to acknowledge the commitment and dedication that numerous supplier companies have shown to both the event and the tissue Industry with The Tissue World Runnability Awards.

Runnability is a common term in tissue making and all tissue makers strive for the best possible runnability, meaning a good long run for days, weeks, months or even years without breaks or interruptions.

Taking runnability to new heights, we want to publicly thank the 8 Gold Medal companies below that have had been exhibiting at Tissue World since the very beginning in Nice in 1993 right up until Barcelona 2013. That's 20 years of runnability and a world record as far as we know.

We also wish to thank the Silver Medal companies who have been with us for an impressive 18 years and the Bronze Medal holders, at 16 years. In addition, we want to thank all the companies that have been part of the vent through the years.

Since 1993, it has been a good run! And we are confident that, in cooperation

with the thousands of proud tissue making professionals around the world, Tissue World will continue to be THE tissue Industry event long into the future. As long as there is tissue, there will be Tissue World.

Tissue paper products, include indispensable items such as toilet paper, household paper towels, facial tissues, handkerchiefs, and table napkins, make up an enormous global business amounting to an estimated \$80 billion a year of total trade. Total global volume of tissue paper produced grows quite steadily at about 4% each year.

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2	BRUNNSCHWEILER SA	ANDRITZ	FIS IMPIANTI
3	CHRISTIAN SENNING VERPACKUNGSMASCHINEN GMBH	BTG	HENKEL AG & CO KGAA
4	IKS KLINGELNBERG GMBH	BUCKMAN	NOVIMPIANTI DRYING TECHNOLOGY SRL
5	INDUSTRIA CARTARIA PIERETTI SPA	CONVERMAT CORPORATION	SAUERESSIG GMBH & CO.
6	METSO PAPER SWEDEN	DCM USIMECA	TAU MACHINES SRL
7	OMET SRL	FABIO PERINI SPA	TOSCOTEC
8	PMT ITALIA SPA	KADANT	UNGRICHT ROLLER & ENGRAVING TECHNOLOGY
9		OCME	
10		PETROFER CHEMIE H.R. FISCHER GMBH	
11		RECARD SPA	
12		SORGATO SRL	
13		TREBOR INC.	
14		VOITH PAPER HOLDING GMBH & CO.	

China

SHANDONG CHENMING BUILDING NEW 60,000TPY TISSUE PM, WUHAN SUBSIDIARY CLOSING ONE SITE

China's Shandong Chenming Paper Holdings is building a new 60,000tpy tissue PM at a site in Wuhan city, Hubei province.

A source from the firm said that civil engineering work is moving ahead.

Construction work is scheduled to wrap up by mid-year, and the PM will start up soon after that.

But the contact declined to reveal more specific information about the PM.

The site is operated by Shandong Chenming's subsidiary Wuhan Chenming Hanyang Paper.

Wuhan Chenming used to operate another site in Wuhan, which is several kilometers away from the existing mill.

The site, with a history of more than

60 years, stopped production in November.

Most equipment at the mill has been put up for sale.

The mill had a combined capacity of around 180,000tpy of P&W paper and some 140,000tpy of reed pulp.

News from RISI (www.risiinfo.com)

SENNING

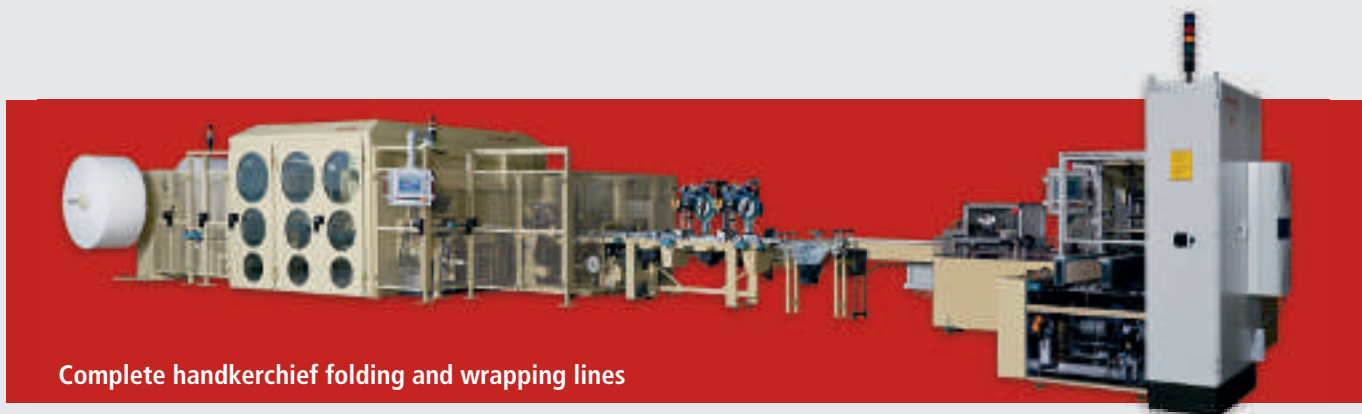
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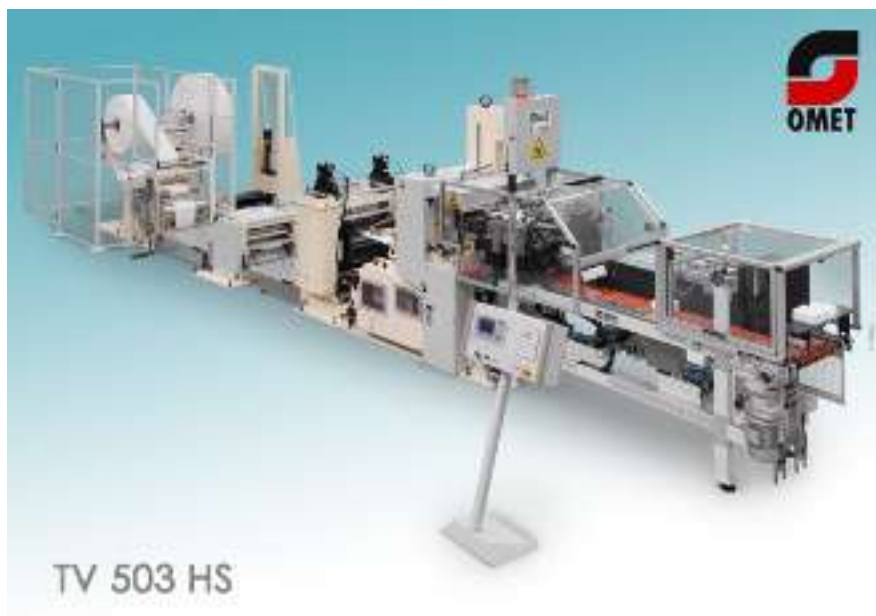


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Russia

NIKMAS' OMET-SUPPLIED TV 503 BOOSTS PRODUCTION



Omet's TV 503

Russian producer Nikmas has boosted its napkin production after it installed an Omet TV 503.

In the last 15 years, Nikmas has become one of the largest manufacturers of paper napkins and other disposable products for the sanitary sector in the

Russian Federation.

The company produces over 180 different products including toilet paper, kitchen paper rolls, paper towels and napkins for the table market and household cleaning sector.

They are made using 100% cellulose

with no waste of material, and 1,000 tonnes of paper products are produced per month.

Its own-brand products include Picnic and Zebra, but the company mainly works for the private label sector of Russian main distribution chains Pyatyorochka, Magnet and Molniya.

The company said it is aiming to meet the requirements of both the low-cost and high-quality markets and compete with foreign manufacturers that are trying to enter the national Russian market.

Oleg Lost, general manager of Nikmas, said: "Besides the capacity to make quality products at competitive prices, we know that the key to our success is our sense of responsibility towards the customer in order to create a loyal and flexible cooperation."

The company has also put in place a complete recycling cycle through specially installed tooling that recovers and reprocesses all the wasted materials.

shortissues

Södra has raised the price of its softwood pulp to US\$840 per tonne. The increase has been effective in Europe from 1 January 2013. In a statement, the company said the market balance will improve further in 2013.

Cascades Tissue Group has been re-certified to the Green Seal Standard GS-1 of Sanitary Paper Products for its range of Cascades and North River away-from-home towel and tissue products. The company said it now holds the largest offering of Green Seal-certified towel and tissue products in North America, with the re-certification encompassing 114 branded products made from 100% recycled fibre.

Nalco, an Ecolab company based in the U.S., and Wetend Technologies, a technology and innovation company based in Finland, have reached a global patent settlement

agreement that includes the dismissal of a current lawsuit between the two companies. The terms of the settlement are confidential.

Both Nalco and Wetend Technologies operate globally and have businesses that serve forest products-based process industries, including paper and board mills. The patent dispute involved the use of process mixing technologies for the forest products industry.

SCA has used Emerson Control Techniques for a drives upgrade at its Manchester tissue and towel paper mill. Two lines at one of the UK's biggest paper mills have recently been updated with new AC drives from Control Techniques. SCA's Trafford Park paper mill in Manchester produces a wide range of household paper products using recycled paper. The two lines - one for toilet tissue and the other for kitchen towels - both needed upgrading to enhance reliability, product throughput and accuracy.

Portugal – a locally focused tough economy

Portugal currently produces approximately 150,000 MT/Yr of Towel and Tissue (T&T) paper. That makes Portugal eleventh largest T&T producing nation in the European Union (EU) with about 3% of the EU capacity. Portugal was experiencing modest growth coming into the worldwide recession of the last three years. Two new machines were added in the last ten years. The last of these new machines was added in 2009, just as the recession started in earnest. Portugal's cost position suggests it may be poised to enjoy growth again as the EU and Portugal's economies improve.

Portugal is home to more than 10 million people with an economy that is 51st in the world. The Portuguese economy has been diversifying with increasing movement toward the service sector. The economy had been growing through the 1990s but fell back in the 2001-2008 period. In 2009 there was a significant contraction of 2.9%. 2010 seemed to improve somewhat with growth of 1.3% but that was short lived and in 2011 GDP fell again when government-imposed austerity measures were implemented. Economic uncertainties persist as Portugal attempts to deal with deficit reduction balanced against the need to stimulate growth.

Geographically, Portugal's T&T mills are dispersed in the northern two thirds of the country clustered in pockets with mills producing other pulp and paper grades (Map 1). The country ranks eleventh among the 19 T&T producers in the EU (Figure 1) and ninth in the number of operating machines, equal to the Netherlands and Romania (Figure 2). T&T machines in the EU vary from narrow two-metre machines to six metres. The machines in Portugal are

all on the narrow end of the trim range for the region, with the average being 2.5 metres (Figure 3). Mill production in Portugal is, on average, on the low side compared to other mills in the EU at less than 50,000 MT/Yr while the technical age of Portugal's machines is lower than average at 16 years (Figure 4). Fibre mix in Portugal's mills is a 60/40 balance of recycled fibre to market virgin pulp, a deviation from the larger producing countries that rely more heavily on market pulp (Figure 5). While recycled fibre is present in most countries, it is not in heavy use by major producers. Integrated recycled fibre does provide some smaller producing countries an advantage over the purchased fibre consumed by larger producing countries. Portugal's cost position in the EU is advantaged by the integration of recycled fibre in its furnish mix (Figure 6).

Portugal's T&T machine production rates are evenly dispersed on the low end of EU production rates. Machines range from the very smallest (producing

less than 10,000 MT/Yr) to moderate levels producing in the 40,000 MT/Yr range (Figure 7). Machine trims are narrow with 75% in the 2.5m class and 25% at less than 2.5m in width (Figure 8). Machine speeds are fairly well distributed with about an equal number of machines in the low end of 500-1,000 mpm and in the high end of 1,500-2,000 mpm. All of the machines are classified as less than 2,000 mpm (Figure 9). On the international scale, Portugal's machines tend to mirror the EU average capacity and average ages for the lower capacity population of machines (Figure 10). A noteworthy observation is that Portugal's T&T business is primarily locally owned with one mill owned by a company headquartered in neighbouring Spain (Figure 11).

The source for market data and analysis in this article is FisherSolve™. Data tables behind Figures 1 - 11 can be obtained from Fisher International. E-mail requests to info@fisheri.com.

Figure 1

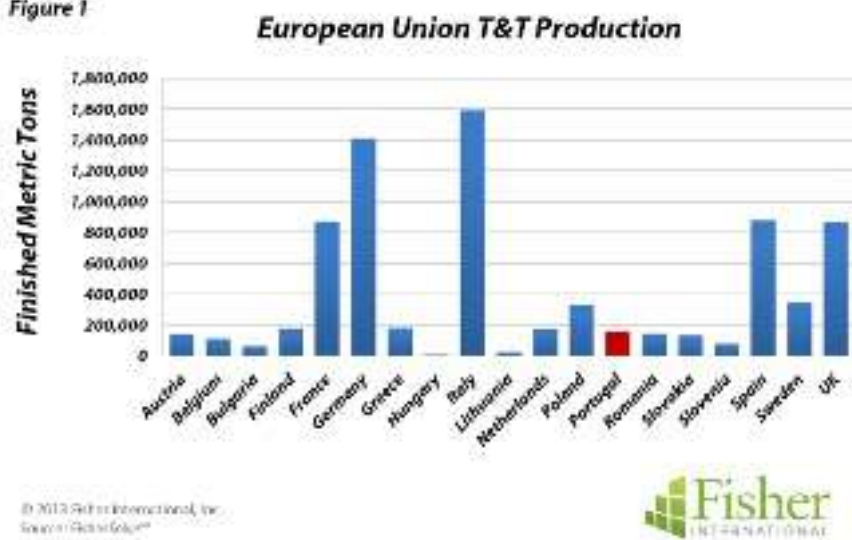


Figure 1 Distribution of T&T production in the European Union.

sed T&T market in a



Figure 2 Distribution of T&T paper machines in the European Union.



Figure 3 Distribution of T&T paper machine trims in the European Union.

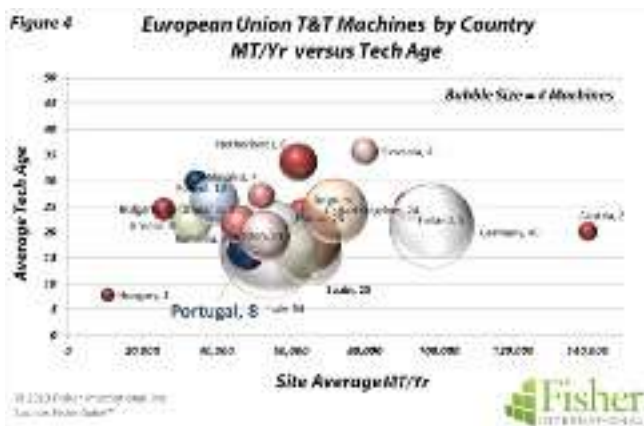


Figure 4 Technical age and production volume comparisons for European Union T&T paper machines.

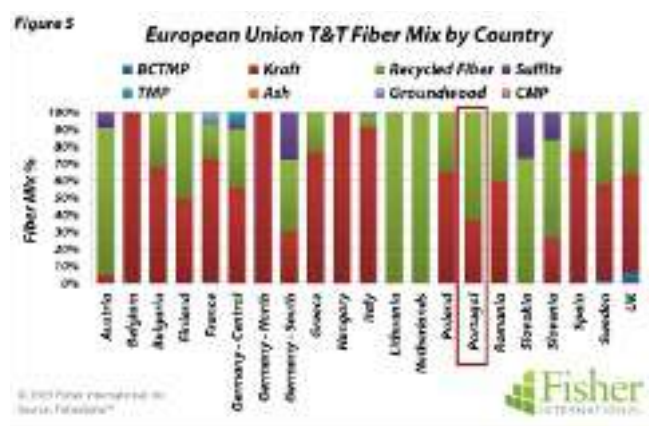


Figure 5 Fibre mix comparison for European Union T&T producing countries.

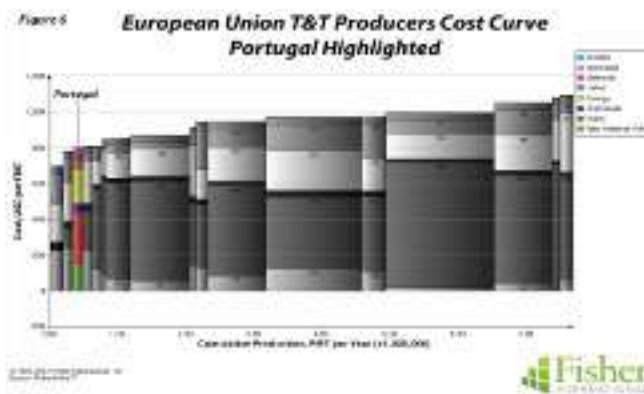


Figure 6 European Union country level cost curve for T&T production with Portugal highlighted.

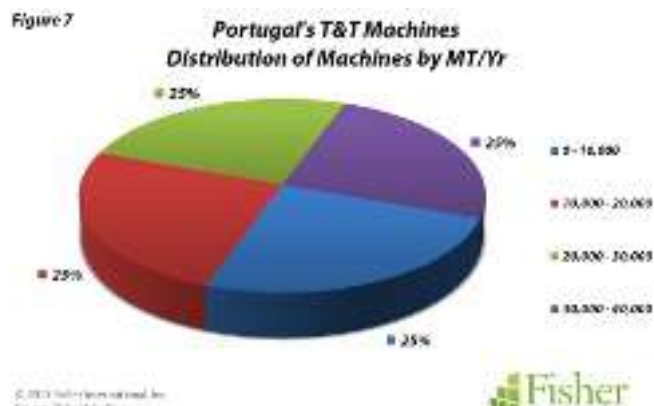


Figure 7 Distribution of Portugal's T&T paper machines by production rate.



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Figure 8
Portugal's T&T Machines
Distribution of Machines by Trim (cm)

Trim (cm)	Percentage
150 - 200	12.5%
200 - 250	12.5%
250 - 300	75.0%

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Source: Fisher Edge™

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Figure 9

Portugal's T&T Machines
Distribution of Machines by Speed (mpm)

Speed Range (mpm)	Percentage
0-500	12%
500-1,000	25%
1,000-1,500	38%
1,500-2,000	25%
2,000+	2%

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Figure 10
European Union T&T Machines
Age versus Capacity Quartiled
(Quartiles Based on the Most/Single T&T Averaged)

Age (Years)

Capacity (Mbps)

Red Mark = Portugal

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Figure 7.1
Portugal's T&T Mills
Country of Ownership

Country of Ownership	Count
Portugal	3
Spain	1

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[illegible]

Map 1 T&T operating mill locations in Portugal.

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By Ian Bell,

Euromonitor International's global head of tissue and hygiene research

country report

Private label one of few gains as Portuguese consumers abandon brand loyalty

With the country's economy stuck in the doldrums, it is a difficult time for tissue products and fast-moving consumer goods generally in Portugal. Through 2012, the Eurozone crisis rumbled on and the Portuguese government ratcheted up its austerity measures. Consumers thus continued to see their purchasing power on the slide in the year.

In this gloomy environment retail tissue saw value sales fall by 4% alone in 2012, with declines reported across every category in terms of both value and volume. These dismal figures are yet another chapter in the horror story that started back in 2008 with the Lehmann shock and ensuing global financial crisis.

Over 2008-2012, retail tissue saw decline with a value CAGR of -2%. This is telling, as these years cover a time when pulp prices as well as processing and distribution costs have been at their highest. Such has been the turbulence in Portuguese tissue that even traditionally stable product categories such as toilet paper are seeing a protracted downturn.

Unemployment continued to rise, reaching 17% at the end of 2012, and disposable incomes continued to fall. Portuguese consumers thus adapted their consumption habits, making fewer purchases and looking for the

best price-quality deals available. In line with these more prudent spending practices, household spend on tissue declined year on year from US\$71 in 2008 to US\$64 in 2012, with further declines predicted over the medium-term.

PRIVATE LABEL PUSHES ASIDE BRANDS

No matter what the economic situation, there are always winners and losers. With price dictating demand, private label products gained most from the economic malaise. In 2008, private label accounted for 49% of Portuguese tissue value sales, roughly in line with the western European average.

'In a bid to retain share in the face of intense competition, branded manufacturers increased their price-based promotional activity.'

However, by 2012 this share surged to 64%. This represents a monetary gain of US\$33m during a time when the value of toilet paper overall declined by US\$18m.

In a bid to retain share in the face of intense competition, branded manufacturers increased their

price-based promotional activity. This served to bring down average unit prices by 4% over 2008-2012 for tissue as a whole. Toilet paper, as the largest category, was particularly hit hard with unit prices falling by 8%. This is indicative of consumer attitudes in Portugal, with brand loyalty being abandoned and consumers increasingly going for the cheapest option.

Renova is the country's leading manufacturer of branded tissue and has a strong reputation as an innovator in the category. However, the company saw its value share fall by almost 10 percentage points to 18% since 2008 as a result of flagging brand loyalty. Renova is not alone of course. Kimberly-Clark is Portugal's second-ranked player and also saw its share crash as consumers increasingly switched to discounter brands. Lidl notably performed particularly well over the same period.

THE SLIGHTEST GLIMMER OF HOPE

With no end to the country's economic woes in sight, the short-term outlook appears bleak for branded tissue manufacturers. However there could be a small glimmer of hope. At less than a percentage point, the gains in private label share in 2012 were the smallest since the credit crunch began in 2008.

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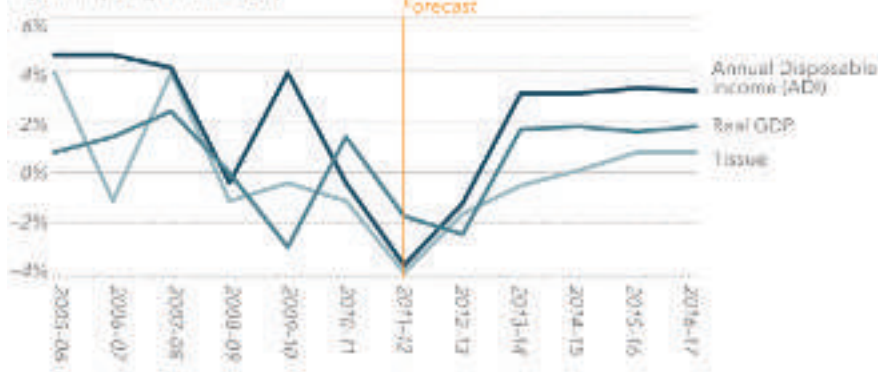
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Difficult Times for Portuguese Tissue Industry

Tissue Sales and Economic Indicators

Portugal

% year-on-year growth, 2005-17



Portugal Tissue Development

Category and Key Brands

US\$ value y-o-y growth 2007-2012



UNEMPLOYMENT

17%

official rate in 2012

POPULATION

-0.5%

forecast: growth rate 2012-17

SPEND PER HOUSEHOLD US\$

65

on tissue products 2012

This suggests that private label's share may be reaching a plateau and that those consumers who are willing to trade down have done so already, leaving the product category in a new, if perhaps uneasy, equilibrium.

'The short-term outlook appears bleak for branded tissue manufacturers. However there could be a small glimmer of hope.'

Encouraging consumers to pay more anytime soon is likely to be a losing

battle. However, the smallest category of facial tissue managed to record value growth over 2008-2012, registering a CAGR of 2%. This is positively stellar given the wider performance of tissue.

With annual value sales of just US\$19m, tissue represents just 7% of retail facial tissue value. Although the category is small, it maintained more stable value sales because it is perceived as more hygienic and practical than fabric alternatives. While household spend on tissue declined marginally in 2012, this was the only category where 2012 spend was higher than sales reported in 2008.

Although the gains made by facial tissue are small, they serve to illustrate

that even in times of economic difficulty Portuguese consumers can be persuaded to pay more if health and hygiene issues are at stake. Capitalising on this factor may seem like clutching at straws. However, it still offers one strong strategy that the industry can turn to, particularly as they seek to turn things around in the better times that are hopefully to come in the longer-term.

In the short-term, however, manufacturers of branded products would appear to have little option but to batten down the hatches, keep prices low and wait for the economic storm to pass.



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Tissue's greatest collector? Silvio prepares for Guinness World Record bid

Silvio Fioravanti is an archaeologist and lives near Lucca in Italy. He has a large collection of pocket hankie packs – at the last count, 11,972 different tissue pocket packs from all over the world that are themed, catalogued and includes old and vintage pieces. TW magazine has charted his collection's development over the years, and here he explains how he and his family uses tissue products that are absorbent, soft and usually white, as well as how and why he continues to expand his collection.

I am a big customer for all companies that produce tissue paper! For the collection, I purchase any type of packets of tissues from the most famous brands to private label products. Wherever there's a supermarket or a small store household products or toiletries, I go in search of missing packages to my collection.

For my personal use for colds and in the kitchen or bathroom, I am more particular about which tissues I chose. My family only uses the better quality products, not a particular brand, but we want softness and maybe a little handkerchief with a light scent also (but not too strong). I don't use tissues in boxes, but prefer to use kitchen rolls that are more absorbent as well as towels and toilet paper, preferably ones that are soft and usually white.

We are lucky because in Italy the quality of paper products is generally very good and in recent times most companies are adapting to environmental requirements. The use of environmental certifications on products such as PEFC or FSC is spreading quickly, but they are still maybe not well known to the average customer.

The research of tissues for the collection continues even when I'm abroad. I find that outside of Italy, the price for good quality tissue products is higher, so it's easier to find products with lower quality when travelling. I have a great passion for collecting tissue pocket packs and have done so for the last 15 years. I collect tissue packs as well as old postcards and papers from my city. A collection represents the gathering of a selective group of things for higher purposes such as history, aesthetics, costume, technology, or memory preservation. The collection only justifies and legitimates the purchase of otherwise superfluous material things and it also provides them with meaning and value. I like handkerchiefs for their variety and their design, but mostly I like to keep things commonly used that would be thrown leaving no memory for the future.

For the last eight years I have uploaded my finds to my website (www.silviofioravanti.it). The collection now has 11,972 tissue packets from all over the world, making up many different formats including standard, mini-pocket, wallet, flat, sachet, as well as different characteristics such

as advertising tissues, tissues with cartoon characters, tissues decorated, or vintage packets. I appreciate old tissue packages or those no longer available because of the difficulty in preserving a disposable product. They have little value if they're not looked after. I have managed to find some rare packages Tempo and Kleenex from 1930 and 1940, and even a packet of 1926 in the USA (pictured), which are some of my favourites.

I like to follow the evolution of the packages of the same brand. In the collection for example, I have over 525 packages of Kleenex and over 549 Tempo tissues to quote the brands most represented. I also like to find some brands that no longer exist and I frequently exchange with other collectors. When friends return from their holidays they also often bring me tissues for the collection.

There is still no record of the largest collection of pocket tissue packs in the Guinness World Record. Because of the variety and number of tissues in my collection, I'm preparing the documentation required for the creation of a new record.



A paper handkerchief pack from 1926.



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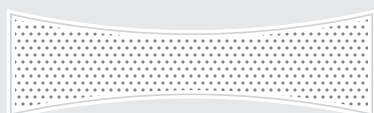
Standard rolls



FlexLess rolls



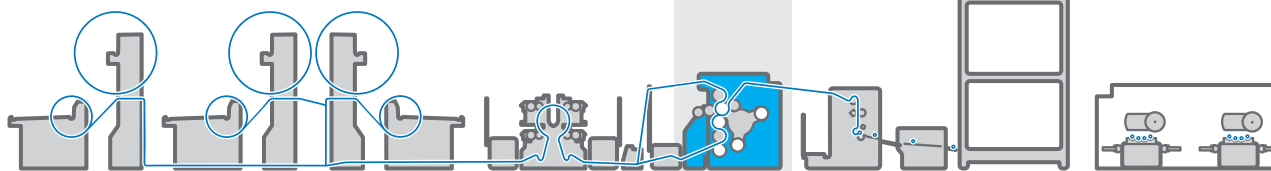
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Portugal's tissue pioneer keeps on innovating to thrive

Renova is the home of “the sexiest toilet paper on earth” says production director Mario Lopes. TW met the business with the designer products.

"Black toilet paper is an icebreaker," says Mario Lopes, production director at Renova, the Torres Novas, Portugal-based integrated tissue company. "Our strategy is through innovation. We want to increasingly sell unusual tissue products internationally; we are already known as the "black toilet paper company" and this brings a lot of visibility to the brand."

"Innovation is the basis of our strategy. While we sometimes can't compete on size, we tackle them head on in innovation and flexibility."

Renova has one of the most unique tissue brands in the world. The company's humorous and open-minded approach is further evident when stepping into the reception and open-plan office area; a large punch bag hangs from the ceiling in the waiting area next to a couple of pairs of boxing gloves; the seat is a long log of wood with chair arms and backs integrated into it; a poster of a man wearing a shirt and tie with a big cross through it is nearby (and sure enough no-one in the office is wearing a tie); Jackson Pollock-styled artwork covers the floor of the brain-storming areas; shopping trollies are dotted around the office full of tissue products ... and later on we walk around the mill following a trail of large ants painted on the floors.

Renova's products take up any spaces left available, and include the infamous black toilet rolls - "the sexiest toilet paper on earth." But black is just the start, there's also red,

yellow and green toilet rolls, scented rolls, rolls with patterns, money imprinted toilet paper..

TW is greeted by Lopes, CEO Paulo Pereira da Silva and marketing director Luis Saramago. The privately-owned and independent company's brand is very distinctive throughout the world due to its eagerness to take innovative risks, encourage change, whilst also holding down a lean and green business model.

The company brand was established in 1818 when it was used as a watermark for paper, with today's Renova business founded in 1939. It is now a heavyweight multi-national business with two sites in Portugal and commercial units in Spain, France, Belgium and Luxembourg. With two sites and a total staff of 590, Renova produces 100,000tpy of tissue products. In 2011, sales were around €135 million, with more than 50% originated in foreign markets.

"We were the founders of the tissue market in Portugal," Lopes says. "We were a printing and writing paper producer but in the 1960's we saw an opportunity to move into the tissue business. There had been no tissue production here so it was visionary to suddenly move into that market. We are completely focused in our brand, and we are well known around the world for our special luxury products."

In 2005, total sales of the disposable tissue paper category products in Portugal equaled €220m, with Renova taking a 35% share of the disposable tissue category. In 2012, its market share for toilet tissue was 34%, 37.6% for napkins, 29% for kitchen rolls and 29.5% for facial tissue. "Demand



Renova's expansive site in Torres Novas, Portugal

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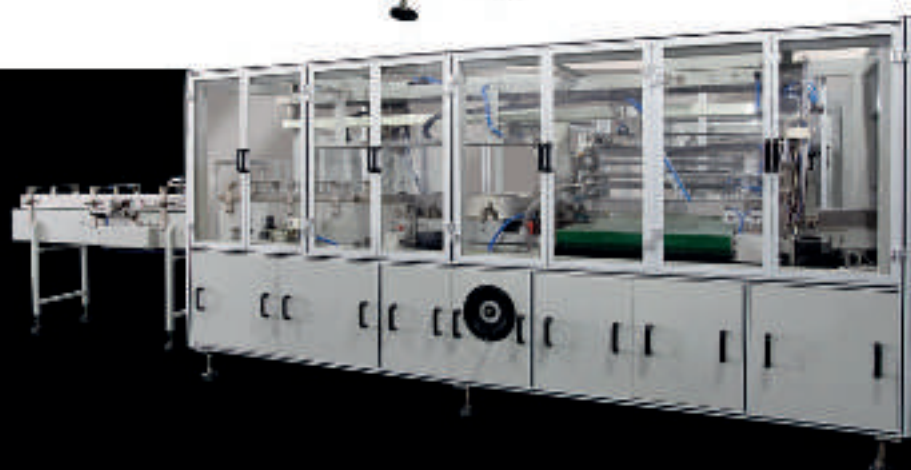
Full servo system control drive
MAX PACKING SPEED
260PIECE/MINUTE



Full servo system control drive
MAX PACKING SPEED
280PACK/MINUTE



Full servo system control drive
MAX PACKING SPEED
150PACK/MINUTE





for tissue in Portugal has increased a very little bit," Saramago says, "approximately 1.5% or so in the past few years."

The company sells products aimed at both ends of the supply chain, producing more than 700 products with very different characteristics (ply strength, colour, perfumes, lotions,...) In fact, in 1998 it was probably the first manufacturer in the world to introduce toilet paper with balms and lotions.

"We distinguish ourselves by having a very strong brand focus and we're targeting abroad more and more whilst still keeping our presence in our existing markets."

After Portugal joined the European Union in 1986, the company started to expand internationally, most immediately in Spain, where several multinationals have a strong hold on the market. Renova now has a 6% share there, and leading the napkins segment with a 12% share. "We play with the big

boys everywhere," Lopes says. "We are flexible and very quick to respond to new opportunities with new ideas/solutions."

Does the company have big growth plans? "Yes, but more than only in volume. We want to be known as a company that does it differently and produces unconventional products, and of course we want to be known as the sexiest tissue producer.. We distinguish ourselves by having a very strong brand focus and we're targeting abroad more and more whilst still keeping our presence in our existing markets."

AfH is also a growth area, and Renova is looking to increase its presence in that market. "AfH has been growing a lot," Saramago says. "But always with the same strategy, through innovation."

In Portugal as in much of Europe, private label is the fastest growing category, gaining market share due to its price/quality ratio. It is the key competitor, price wise, for Renova, and many private label brands are outselling regional brands. "Their presence is significantly increasing in the whole of Europe because consumers are focused on price," Saramago



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adds. "So we need to make something different and integrate value into the products. Innovation is the basis of our strategy. We are very quick to respond to new ideas and we're flexible. People here are very used to change on the machines and we have to be very efficient with this. Our black loo rolls are more than a product, they look like a designer product, a decoration object."

Energy prices have gone up substantially so the plant has had to become increasingly more efficient. "Prices have gone up here more than in some other countries in Europe, so we can only become more efficient. We can't just do nothing, but it means we need to be very competitive when we're selling abroad," he adds. "We have all the stages of production here, including a de-inking plant, cogeneration, printing, design, converting. And we run it all very efficiently. We use very high quality recycled fibre, and can use either recycled or virgin fibre."

With EMAS certification and EcoLabel, sustainability is a big factor of being more efficient. "Everything is integrated into

our way of doing things," Lopes says. "And environmental sustainability is the first thing we keep in mind. We will get FSC certification soon as well, but environmental stamps don't tell the whole story. We prefer to integrate Harmony with Nature and Care for all resources in our products and processes and, especially, in our people's mind - our environmental department is based across the whole mill. All these things come together so you end up saving on energy and waste costs also."

"Our aim is not to produce only common products but to specialise, always with added value" Lopes concludes. "We have to be competitive; every plant has to be efficient. It's a jungle out there and we don't innovate just on products but on processes."

And the punch bag? In case you were wondering: "Oh, that's for stress relief".



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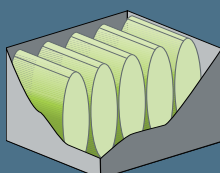
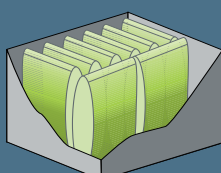
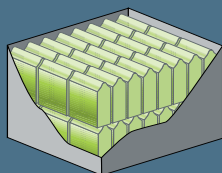
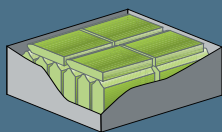
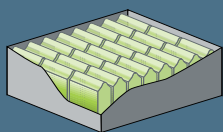
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TOMORROW'S TECHNOLOGY TODAY



As a small company thinking big Fapajal is bucking the national trend

Sales output tripled in four years as Portugal
fights economic downturn

A year and a half is a long time in an economic downturn. When TW first met Fapajal in June 2011, the small independent tissue producer was expanding rapidly with a new Toscotec TM that added 55 tonnes of capacity per day. Visiting again in January 2013, the business, as with others in Portugal and much of Europe, is battenning down the hatches, becoming even leaner and more cost effective, and putting previously planned expansion plans on hold.

Its strategy mirrors that of the Portuguese economy. The country had been experiencing only modest growth coming into the worldwide recession, since 2009 growth has been negative; it has attempted to deal with deficit reduction and is in the middle of debt restructuring and pressing ahead with a reform programme.

Is there any light at the end of the tunnel? "It's a very dim light," says Helen de Castro, the Brazilian-born director and a shareholder of Fapajal. "The Portuguese tissue market like everything else here has been hard hit by the crisis and is slowly disappearing. The state of the market is horrible. There's reduced local consumption, bankruptcies..."

The company is based a 30 minutes drive out of Lisbon, and the last part of the journey passes through the quaint parish of Sao Juliao de Tojal, where the locals walk out of bright yellow, pink or white houses straight onto the narrow cobbled streets. It seems a world away from the reality of the country's financial woes. The plant is hard to find; tucked away, there are no signposts, no "reception" indicators on arrival, and once inside no marketing or products are on show. The site, like the company, is to the point, discrete, and secure in what it does.

"We've maintained a low profile over the years and we haven't done badly," de Castro says with considerable understatement. "We're a small, independent company but we think like we're big. We've expanded and in the last four years we've tripled our sales, which is now more than €24m. For 2013 we expect around €26 million in sales. " "The downturn has hit us as well as everyone else, but while it's certainly not brilliant we can say that we're in an OK position."

The mill's history dates back to the 18th century, when, after the Great Lisbon Earthquake in 1755, the monks of St. Vincent moved to Quinta da Abelheira and began producing writing paper. In 1836, the paper business was purchased by British port producers William Graham & Co. In 1923 it was remodeled and then in 1967 sold to Austrian shareholders. The introduction of the current PM2 for tissue paper was made in 1967, with printing and writing paper (P&W) made on PM1 and kraft on another PM.

Following post-revolution insolvency and nationalisation under state-owned Portucel, in 1973 the company shut down PM1 and transformed the kraft PM into P&W, resulting in huge losses. A sale at public auction in 1999 was won by private national shareholders led by de Castro, an entrepreneur

FACTFILE:

Mill manager: Helen de Castro

Staff: 113

Turnover: €24m in 2012

Location: Sao Juliao de Tojal, Portugal

Machines: PM3, Toscotec; PM2 (napkin paper machine), a 2.3m wide ErWePa unit; PM1, a 1.8 m trim unit (MG tablecloth and hand towel paper from recycled fibre).

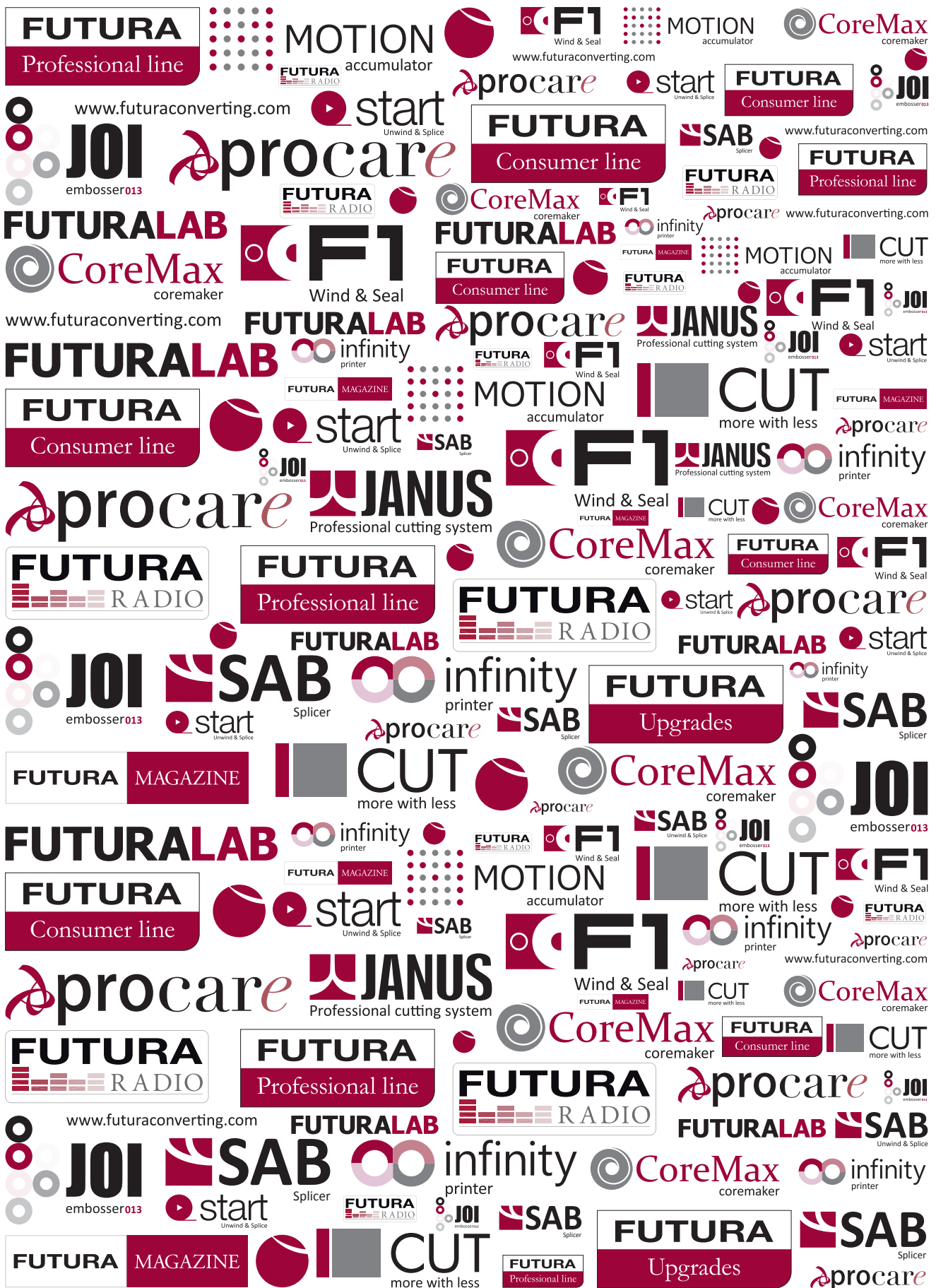
Customers – major local distributors, catering companies and converters, independent distributors and converters in Spain, France, UK, North Africa, Caribbean.

formerly of Inapa Papers and McKinsey & Co, and Luis da Cunha, executive board member of Inapa Paper. A period of investment took place with €3m ploughed into creating basic de-inking, natural gas cogeneration, a water treatment plant, converting facilities as well as reconditioning PM1 for paper for tablecloths and hand towels. Lastly, at the end of July 2011, PM3 started up producing 60tpd, and a fire in 2011 meant a loss but resulted in substantially improved facilities.

Fapajal's initial growth came from what is a very minor local market, but today, with 150,000mt/yr of tissue produced in Portugal and tissue demand stale at best, local tissue players have had to broaden their horizons to survive. Sharing the Iberian Peninsula has held opportunities. "None of the tissue companies in Portugal are targeting the Portuguese market," she says. "Our natural market is Spain, but the market there is volatile and has been hit by the downturn. So we've developed increasingly ambitious plans to expand across the broader European AfH markets and beyond."

The company is supplying some heavyweight contracts around Europe, including major catering and AfH distribution companies, the local subsidiaries of French multinational Elis and Makro, as well as businesses in Spain, Morocco, Germany, the UK and Trinidad. When Spain contracted, many of the Portuguese and Spanish converting companies targetted the south of France. With competition fierce, de Castro says Fapajal distinguished itself by providing extremely good service and good quality products. "We're a one-stop shop," she says. "And fortunately the banks have supported us, although the credit insurers have reduced our credit, as with everyone else. Throughout everything, it's been important for us to keep our reputation and we are optimistic in maintaining our small company." She adds that sales should increase by 6% next year and the small PM1, which currently produces only during the week, will pass onto working weekends. "Last year was a bit of a disaster, due primarily to the virtual collapse in Spain in the middle of the year, but we are optimistic we can increase our EBITDA in 2013. We're also focusing on increasing our converting facilities and generally becoming more energy efficient."

Their energy costs are helped by their cogeneration plant. "It's still profitable for us," de Castro says. "It's not rational for us to put in any more units at this stage, due to changed government policies. We're very dependent on gas, electricity





Production at the company's Sao Juliao de Tojal-based integrated tissue site

and energy prices, as well as the exchange rate. We can't do much about it, we have to be very lean and cost effective. Taxes are huge, subsidies are non-existent and margins are low, and it will all go on for many years more. But we continue to be OK. We have some profit and we keep ourselves in a pretty stable position. We're very flexible because we're not a huge company. If the market is down in one region we can quickly switch to an area where it isn't."

The business is also increasingly providing recycled products, which de Castro says there is a lot of demand for. "In a recession, people want to down-grade, so recycled paper is perfect for that, as it's a bit cheaper. It's all about the price. We are planning for a PM that will just be for recycled products."

Fapajal has always been an exporter and now exports more than half its products to European countries. But more and more business is coming from elsewhere, including northern Africa and the Portuguese-speaking African countries, to such an extent that some 65% of Fapajal's non-converted jumbo rolls are exported and just over half of sales come from exported products. De Castro is cautious, saying that while the business is looking into other countries for export possibilities, first and foremost their market strategy is to survive. Tourism in some countries is driving a lot of the AfH business. "In Africa, there's not a lot of demand at the moment, and certainly not a lot of local players. Brazil has huge barriers to entry, but prices are very high so it also has good potential for us. We would need to have very reliable local partners, but

it's definitely a market we would be interested in. As soon as opportunities come up, we will jump."

Fapajal wants to substantially expand its converting capabilities because "it's where the best margins are". The Toscotec-supplied PM3 is the latest machine. "It's done its job, it produces 55 tonnes per day," de Castro says. PM2 produces recycled paper as well as virgin pulp, and PM1 produces paper for table clothes and mats. "With these three machines we're flexible," she says. "We're a one-stop-shop in terms of converting, and we didn't have any converting facilities 10 years ago." Two years from now, it's impossible to predict what state the Portuguese economy will be in. However, for the short term at least, plans at Fapajal have been put on the back burner because of the recession. She says she couldn't plan for five years ahead as things change so rapidly. "Our future plans are on hold, not stopped altogether. We have a new recycling plant



Products for some of Fapajal's major catering and AfH customers

that's on hold, as well as PM4 for recycled fibre. By the end of 2013 we will have expanded our converting facilities by 60%, and will potentially be exporting to Brazil. During 2014 plans are to achieve high tension energy input, which has a payback in under four years," she says. "The crisis is forcing more flexible labour legislation for improved productivity. We will continue to play on our major strengths and our efficient young team, the successful development of up to 3% filler loading for reduction of fibre input, our excellent geographic location for Europe and northern Africa, as well as the cultural ease of business in Portuguese speaking countries."

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Tissue World asked the w converting machinery ma comment on the annual theme survey. PCMC and below they describe their

A TW report



PCMC's operations director Luca Tagliasacchi



MTorres' Joseph Gotshall, business development director USA

What technical developments can we expect in converting for 2013 and beyond?

PCMC's operations director Luca Tagliasacchi: "One of the sections on which the work of our R&D department has been focusing in the past year is the unwinder. To the existing stop-splice device for reel change, a new one has been added: the on-the-fly automatic change. The stop-splice change requires only 1.5 minutes downtime of the line and allows an increase in production varying from 5.80% for single ply to 8.30% for two-ply reels. This device can be installed "progressively", i.e. on a modular basis, even on existing lines without any changes to their layout.

"The new on-the-fly splice allows reel change with the line running at a reduced speed, which means in zero time. As soon as the running reel reaches the diameter of 1100mm, the new one can be loaded in waiting position, ready to be lowered for the splice. The estimated annual production increase in this case varies

from 7.80% for single ply to 11.20% for 2 plies.

"Both solutions offer significant advantages: reel change is carried out in a defined time, which is no more dependent on the operator but constant and repeatable; the use of biadhesive tape allows a very quick and easy preparation of the waiting reel (during the unwinding of the "previous" one); the procedure is also cleaner, because glue is replaced by biadhesive tape; and, most important, it is carried out in the absolute safest conditions, because there is no direct intervention of the operator inside the guards."

MTorres' Joseph Gotshall, business development director USA: "In 2013, MTorres maintained its place as the global leader in unwinding, splicing and tension control. This year we are continuing to invest in the research, development and continued evolution of our tissue and nonwoven converting equipment. Automated roll loading, unwinding, splicing, tension control and spent core removal remain the

world's leading manufacturers to converting technical MTorres responded, and their R&D developments

areas we focus our efforts on in 2013.

"The greatest developments we have released to the market in 2013 are two new simplified and modular designs that offer a lower capital investment to clients in emerging markets. So now in addition to the already popular floor pickup model TSR-T "Tension controlled Splicing Rollstand for Tissue" that has been in production for more than 10 years and the cart based system "Universal Tissue Splicer" or UTS that has been in production for more than five years, MTorres has also brought to market the STS or "Simple Tissue Splicer" and later this year we will be publicly releasing details of the JTS as well. The JTS and STS are both low capital cost systems well suited for retrofitting existing converting lines to allow for higher speeds, better tension control, on the fly splicing, and therefore increased production. This addition gives MTorres' clients both the highly automated customisable solutions they have been accustomed to and now a more standardised low capital cost design for increased flexibility."

What new ways are you ensuring that the quality of cut is consistent?

Tagliasacchi: "The renowned efficiency and quality of our LSX are due to a unique mechanical-electronic combination. The points of strength of this log saw are the management of the cutting system, of the cutting speed, and the mathematical model controlling the synchronism of the arm of the elliptical orbital blade, pushers and blade drive.

"With the control system further enhanced and thanks to the available wide range of motors, blade sizes and blade material options, the LSX is now able to offer the highest performances also on "border-line" consumer/ industrial products, as for example 200mm-diameter rolls. Excellent bias, cutting speed and cut cleanliness have proven to be the key factors for the success of several important projects carried out in the past few months."

Gotshall: "MTorres focuses on all of the converting line equipment up to the embosser, therefore cut quality occurs on our partners' side after we hand

off the sheet. Our responsibility is to provide a perfect tension on the line even during the splice sequence so that the cut can be made consistently on our partners' machines. So far in 2012 and 2013 MTorres has started up more than a dozen of these designs in production environments. These machines are running TAD and other structured tissues in one, two and three ply configurations. MTorres' designs have been integrated with PCMC, Perini, Bretting, and many others. Our job is to make the cut easy for our partners by offering a constant web tension giving the end user more consistency."

What features are you incorporating to minimise downtime between changes in print design, embossing design or roll format?

Tagliasacchi: "Our embosser NT 6501 has further evolved and represents today the utmost technology available in embossing under many aspects. It is a fully-electronic non-hydraulic embosser, certified with a Performance

Safety level D as regards to roll safety, which couldn't be achieved by an embosser with hydraulic system.

"This quick-change embosser features a fully electronic nip control system for embossing rolls, marrying rolls, distribution rolls, which replaces the previous hydraulic device. The system comprises servomotors, servo cylinders and load cells, thus offering the same level of precision and repeatability of any other electrical application. Pressures can be adjusted automatically so as to achieve the best speed/embossing ratio.

"The system can work under high loads, with high levels of precision and repeatability; requires reduced checkout costs/time; allows friendly use and maintenance; comprises the same parts and components as the rest of the line."

Gotshall: "From MTorres' perspective the real key to minimising machine downtime is to not need to stop during normal production runs for issues such as tension swings, breakouts and roll loading. By eliminating all of this unnecessary starting and stopping (recall that MTorres equipment have splice reliability in excess of 99.5%)

the line stop time for product changes (print, embosser, format) is easily absorbed. Also because of our precise tension control loop the starting and stopping for necessary format changes does not need to produce waste due to instable log build on startup. In most instances the unwinds and splicing unit can remain threaded reducing operators' need to focus on the unwinds at all during these changes."

Which particular automation features distinguish your converting technology, and how do they improve productive efficiency?

Tagliasacchi: "Efficiency is often a matter of automation, but not always. In our perspective, flexibility is another key factor for efficiency, and in this regard we believe that today our best achievement is represented by the Matrix and the Forte technological platforms. The possibility to progressively upgrade the line from 450 mpm up to 650 mpm, freely matching speed and number of cycles, makes the Amica Matrix a "futureproof" investment: a line able to grow with the company and follow the ever-changing production needs dictated by the market.

"On the other hand, the Forte offers the possibility to produce very different products (e.g. from traditional products to coreless ones) on the same line with quick changeover procedures.

"All this means more than simply efficiency: efficiency through flexibility, guaranteed in the long term."

Gotshall: "Autoloading and unloading along with autosplicing and computer logic based tension controls remove the need for an operator to be involved in changing any draws manually and triggering splices manually. MTorres' unwinds are not demanding of an operators' time other than splice preparation which can be done in under two minutes in all situations. But, remember the machine is still producing at high speeds during the roll change so no productivity is lost. Also by simplifying and automating



LSX



TC_CoreTDS



TC_EmbossNT6501

the splice we have removed any variation from one operator to another. MTorres' unwinds and splicers simply need to have rolls delivered to the carts and the tail introduced to the splicing table. Everything else is controlled through a PLC orchestrating exacting synchronous movements."

Identify one or two areas of technology in which your converting systems really stand out.

Tagliasacchi: "An outstanding feature among those recently developed lies in our coremaker technology. Our TDS model allows, thanks to its extreme versatility, to produce both single-strip and multi-strip cardboard cores, with strip number varying from 1 to 5. The machine's simple design, quick mandrel change from 20 to 90 mm, automatic strip handling through load cells and strip guide translate into maximum flexibility while at the same time maintaining a high quality level. The slot coater and the use of the same type of glue along the whole core length reduce glue consumption to the minimum. The reduction in material consumption leads not only to immediate saving but also to important advantages in terms of logistics and transport."

Gotshall: "Our entire family of products was developed to run structured substrates in wide web formats and all of these designs are powered by shaftless centre driven unwinds with expanding chucks. MTorres is the only machine manufacturer in the world that currently has centre driven unwinds running wide web TAD substrates in production in the tissue industry. Therefore even though our partners all have existing conventional belted unwinds they come to work with us in order to achieve the highest quality production for our joint clients. Many of MTorres' designs can handle 120" diameter rolls and 120" wide webs with splice on the fly technology. These designs allow converting lines to run at the highest speeds without stopping for a splice and also have autoloading and autosplicing capabilities making for more consistent production even with new operators unfamiliar to the converting processes."

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By Ed Graf

exit issue

ADT's first start-up successfully running in the USA

Air Dried Tissue (ADT) Technology has been hailed as a real alternative to TAD. Two years after the start-up of the first installation of this major new technology, TW talks to inventor Ed Graf about energy savings and capital cost

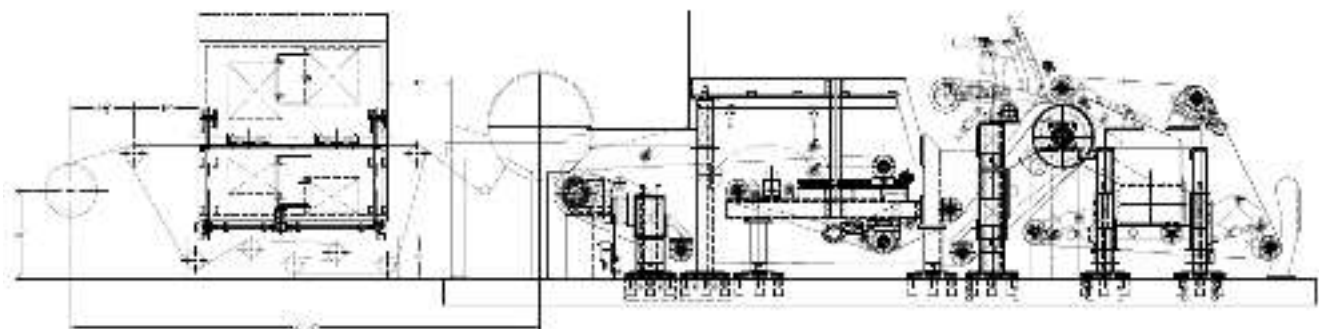
As with any new development there are thoughts and ideas about how something should work. The paper industry has been gutsy in the past; in the last forty years, we have seen a lot of progress, including significant increase in machine speeds. Drying technology has also significantly developed. When information about Air Dried Tissue (ADT) was first published in 2007, it claimed the technology could reduce energy consumption and capital cost while allowing for less expensive infrastructure and an overall simplified operation.

Six years later, the first ever installation of ADT technology has been successfully in operation for two years. Its start-up on a nominal 35+ TPD Crescent Former Yankee machine was a big step for the one-machine, North American tissue producer to take. However, the second reel produced was reported saleable and guarantee trials were successfully run and met in January 2011. Two years since start-up, the mill has been an excellent running reference for ADT.

The images show the first ADT Air Floatation/Air Impingement Dryer

being erected and this same unit successfully installed and operating in the mill. This machine is making around 60% of its production using ADT. The other 40% is dry crepe and the sheet easily runs through the dryer with the heat turned off. The carry belt will run in this mode, and "pulling the crepe out" has not been a complaint in either dry crepe or wet crepe operation and operators have reportedly been satisfied.

In TW's coverage of the new technology in 2007, an energy comparison graph estimated that conventional TAD



Machine elevation



Left - right: Installed ADT dryer; Control panel

technology uses at least 14% more energy compared to ADT. It said ADT could achieve a 25% reduction in gas consumption (around 4,000 KWH/tonne for TAD) and steam consumption (around 1,000KWH/tonne for TAD). Drive energy consumption was expected to be the same for both technologies at 2,000KWH/tonne. The mill has met this with ease.

Cost of this simplified technology is significantly less than other air drying technologies.

Over the course of the two years following its installation, it is now possible to confirm:

- The drying rate is calculated to be 10.9 #/sq. ft./Hr. Data collected from this first installation, although not needed to operate at this level, confirmed this capability.
- The controls are relatively straight forward with few problems.
- The zones are approximately 10 feet in the machine direction and therefore shipping is not too difficult.

A wide load flat bed semi can be used for "zone transport".

- This technology can be built to fit today's widest machines easily reaching 300 inches. Units similar to this, configured for other purposes, have been built in excess of 400 inches.
- Multiple zones and their adjunct heating systems can be installed to allow for more production. Space in

the machine direction is required necessitating moving the reel for this upgrade.

The implementation of ADT could merely require an older Yankee dry crepe tissue machine that can be turned into a swing machine (to additionally make wet crepe towelling, which sells at higher margins) with very short grade change times. No machinery needs to be moved or modified during the changeover as it is simply a basis weight, speed and heat adjustment. The technology allows older mills to upgrade machines to become swing machines that gain production increases of 15% due to the reduced percentage of drying required of the



The ADT Dryer on the manufacturer's shop floor

Yankee when making wet crepe.

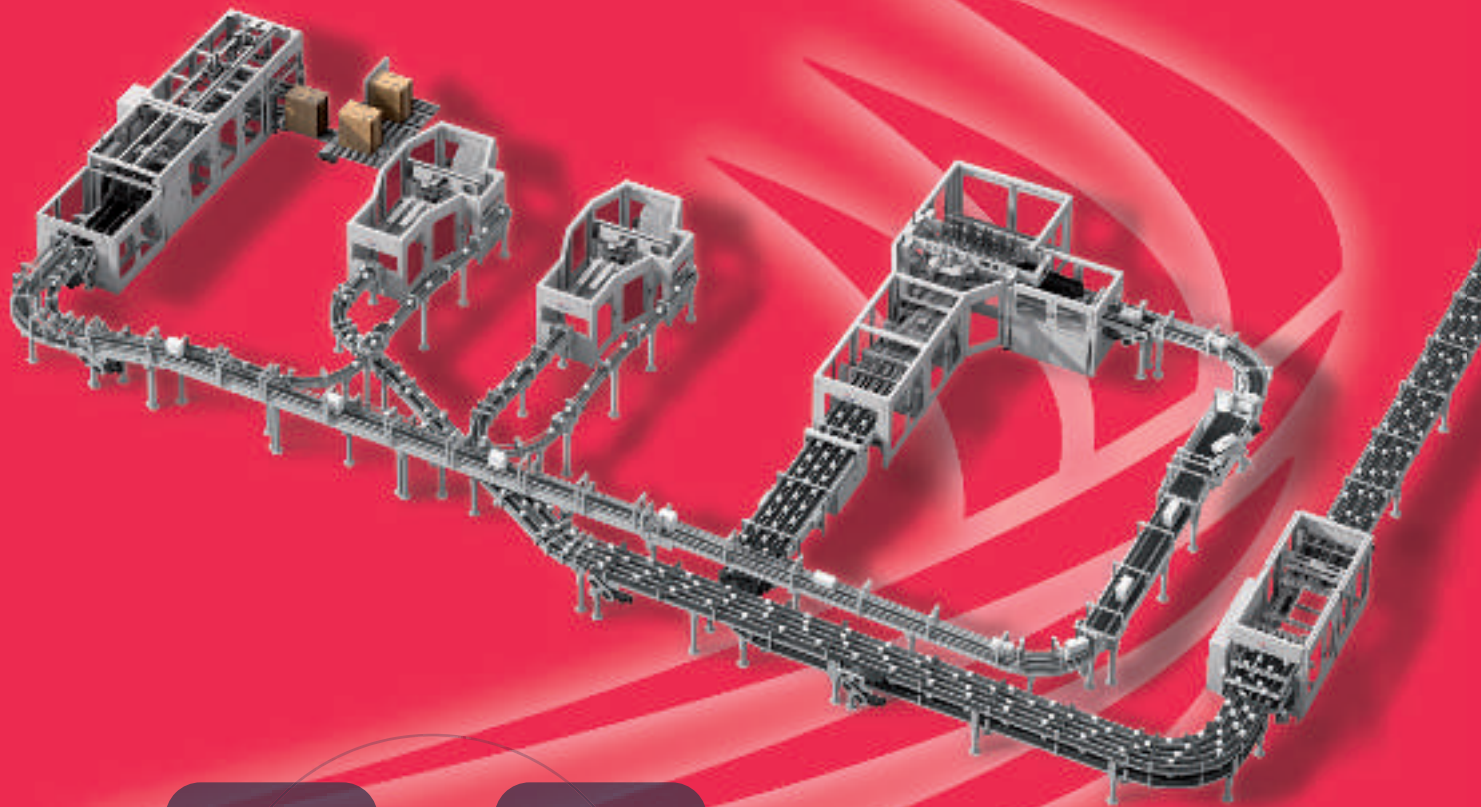
The cost of this machinery is a fraction of a TAD drum and the installation cost is also significantly less. The heating unit and ducting are compactly configured and can be located behind the machine, on the machine room floor level, or even outside of the building. Since no crane is needed over this installed equipment the building height and roof do not need to be raised and can actually be lower than what is required for a Yankee (or TAD). In addition if a machine is conceived without a Yankee to make towelling grades only, a steam plant is not needed thereby saving capital and operating expenses.

All this is testament to the technology's builders, Meg Tec in Green Bay, Wisconsin. Albany International supplied the belt and it has proven to be of proper permeability for operation. The air permeability is very important as some of the drying air is directed at the bottom of the sheet to help achieve the rate guaranteed.

A patent for ADT technology has now been granted and another is about to be allowed.

By Ed Graf, Wisconsin Pulp and Paper Machinery. Graf has been awarded 50+ US patents for paper machinery and is presently the owner of A. P. M., a paper industry technical services company. To date he has been involved in over 80 new Headbox installations and a number of complete new machines.

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