

COTTON AND NONWOVENS SUMMARY OF REMARKS

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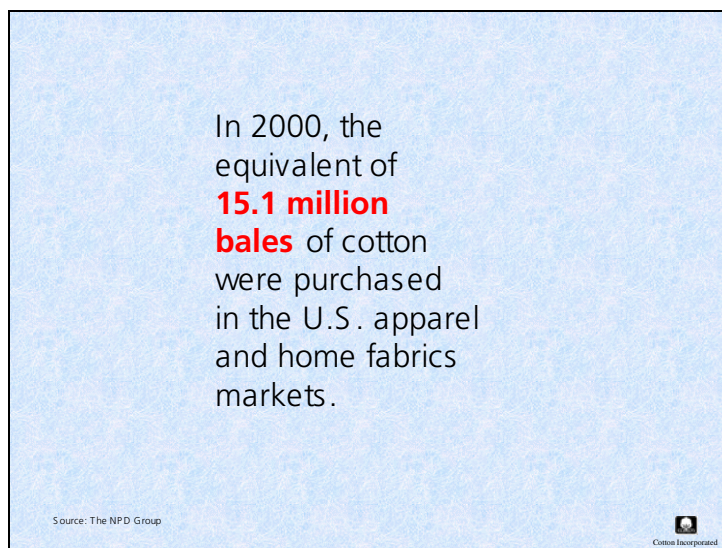
Cotton has long been the principal fiber used in apparel and home fabrics. In 2000, more than 15.1 million bale-equivalents of cotton were sold at retail in the United States in the form of finished apparel and home fabrics. Usage in the United States market is the largest end use market for cotton in the world and this market is approximately equal to the size of the global nonwovens market for all fibers, which in 2000 was estimated at 14.7 million bale equivalents.

At the global level, consumption of bleached cotton for nonwovens rose by 6% in the period 1996 through 2000. Approximately 1.15 million bales of cotton were used in the manufacturing of nonwovens products, giving cotton a 7.8% share of the global nonwovens market. In North America, cotton's share is only 2.8%. Despite the lower share, growth of 3%-6% is projected for cotton in nonwovens in the markets of North America, Western Europe and Japan over the next four years.

The growth potential for cotton, in North America and globally, suggests that a strong effort to cultivate consumer awareness of cotton in nonwovens could reap significant dividends for building cotton demand. Cotton Incorporated has a long and successful history of reaching the consumer to stimulate demand for cotton products and technical and consumer research undertaken by the company points to a tremendous opportunity to increase cotton usage in nonwovens products.

Consumer research conducted by Cotton Incorporated evaluated consumers' preferences and perceptions of fiber content in nonwovens products. Results from a national study show that a significantly higher percentage of respondents choose products that display the Seal of Cotton and would prefer to buy nonwovens personal care products that are made from natural fibers.

Consumers' preferences for cotton in apparel have been shown to spill over into their preferences for and purchases of home textiles. Results from Cotton Incorporated's consumer research suggest that consumers also would transfer their positive feelings and preferences for cotton in apparel to their purchases of nonwovens personal care products. Cotton Incorporated's trademarked Seal of Cotton and Absorbblend Seal are being used extensively in trade and consumer communications to promote cotton content in nonwovens.



In 2000, the equivalent of **15.1 million bales** of cotton were purchased in the U.S. apparel and home fabrics markets.

In 2000, the equivalent of **14.7 million**

bales of all fibers were used globally in nonwoven products.

Sources: The NPD Group and John Starr, Inc.



Global consumption of bleached cotton rose 6% from 1996 to 2000.

1.15 million bales

Source: Proprietary research for Cotton Incorporated by John R. Starr, Inc.



Cotton's Share of the Nonwovens World Market

7.8%

Source: Proprietary research for Cotton Incorporated by John R. Starr, Inc.



Cotton's Share of the North American Nonwovens Market

2.8%

Source: Proprietary research for Cotton Incorporated by John R. Starr, Inc.



3% -6% Growth Projected in
the Major Consumer Markets
of North America, Western
Europe and Japan in the Next
4 Years

Source: Proprietary research for Cotton Incorporated by John R. Starr, Inc.



Strong opportunity for
expansion of cotton's
share in nonwovens
markets

Source: Proprietary research for Cotton Incorporated by John R. Starr, Inc.



Expanding Cotton in Nonwoven Markets: Cotton and the Consumer



Nonwovens Consumer Research at Cotton Incorporated

- Understanding consumer preferences for nonwoven products
- Determining perceptions and the importance of fiber content



Consumer Research

- National study in 6 U.S. cities
- N = 1,000
- Females 18-49
- 4 different personal care products
- With and without Seal of Cotton on packaging



Consumer Research

- Significantly higher percentage of participants chose products with the Seal of Cotton.
- 66% believe products with the Seal of Cotton are better quality.
- 91% prefer to buy personal care products with natural fibers



Consumer Research

Product	Perceive the presence of cotton	Prefer the presence of cotton
Diapers	52%	75%
Baby Wipes	34%	71%
Feminine Napkins	60%	80%
Tampons	70%	82%



Transference of Consumer Preferences for Cotton



Apparel



Nonwoven
Personal Care
Products



Home fabrics





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500-700 grams	L10W0-0E
700-1200 grams	L10W1-1E
1200-2250 grams	L10W2-2E

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