

PRESENT THE SOAP AND DETERGENT ASSOCIATION'S

CONVENTION NEWS DAILY

A supplement to Chemical Week

Tuesday, January 29, 2008

82ND SDA ANNUAL MEETING & INDUSTRY CONVENTION

“Going Beyond Green” is the theme of SDA’s 82nd Industry Convention. Throughout Convention Week – and throughout 2008 – we will showcase how the cleaning products industry and your Association are demonstrating environmental, social and economic sustainability.



Sustainability really isn’t a new concept for our member companies. Very simply put, our industry’s products help save people’s lives. Hygiene and cleaning products enhance health and the quality of life for an entire planet. That’s the ultimate in sustainability.

Innovations over the years in research and development, formulation, manufacturing, packaging, and delivery systems allow people to clean their hands, clothes, and surfaces in almost every way possible – and more easily than ever.

Manufacturers, suppliers and retailers are working together to bring products to consumers that clean effectively and have a reduced environmental footprint.

But persistent threats remain that challenge our companies’ ability to formulate, innovate and compete in today’s marketplace. Strict chemical regimes gaining favor in different parts of the world can divert precious resources from R&D and innovation – practices that genuinely advance sustainability – to compliance with regulations addressing marginal risks that will do

little, if anything, to improve product safety or the quality of life.

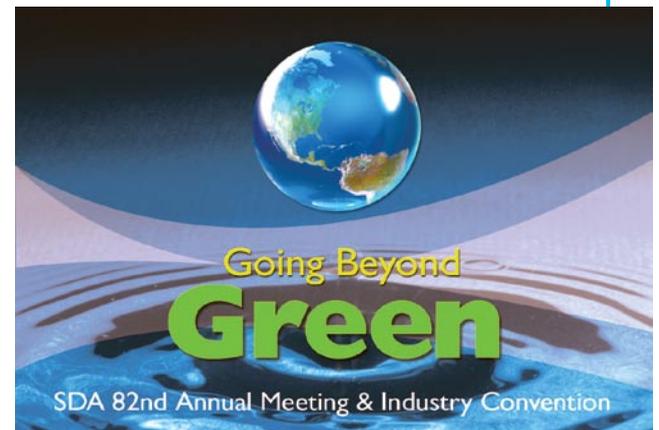
Advances in the science of detection, while amazing, raise concerns about chemical ingredients found in microscopic amounts – which lead to broad-based attacks on whole product categories, companies and brands.

At SDA, we consider the challenges our members are facing to be our own. We continue to showcase leadership in science-based advocacy and outreach so decision-makers are aware of product and ingredient safety and safe use. We are engaged at the international, national and regional levels to bring the facts to bear on legislation and regulation affecting our industry. We engage in strategic communication efforts – via the news media and through a variety of partnerships – that effectively deliver messages about the benefits our products bring to billions of people every single day.

And, of course, we continue to provide the critical platform for effective business-to-business interaction.

Moving forward, SDA and its active, engaged membership will continue to showcase why and how our industry demonstrates sustainability on all fronts. We look forward to working with all of you to make this happen today, tomorrow – and in the generations to come.

Ernie Rosenberg
SDA President & CEO



SDA IN 2007: DELIVERING MEMBERSHIP VALUE, INDUSTRY LEADERSHIP

With the active support and involvement of many of its members, The Soap and Detergent Association (SDA) enjoyed successes on every front in 2007. In legislation, regulation, press coverage and outreach to important constituencies of the industry, SDA made progress or achieved its members’ objectives.

Here are just a few highlights:

PROGRESS IN SDA FIGHT FOR KEY OLEO, SOAP INDUSTRY FEEDSTOCK IN CONGRESS

During contentious debate on a massive energy bill, both the House and Senate voted to support SDA-backed language to reverse an unfair biofuel tax credit that threatens the tallow supply for the oleochemical, soap and cleaning product industries. While a veto threat eventually scuttled all of the bill’s tax-related provisions in late 2007, SDA continues its fight in 2008 in the halls of Congress. SDA member grassroots efforts on this issue opened up new avenues of opportunity for successful advocacy in the months and years ahead.

SDA ADVOCACY AVERTS COSTLY CHANGES TO PACKAGING

SDA members will not have to spend millions of dollars to make changes to rigid plastic packages to comply with Oregon’s packaging law. In 2007, SDA led a multi-industry coalition that successfully intervened on both the legislative and regulatory fronts.

In New Jersey, SDA and its allies successfully stopped packaging legislation that would set requirements beyond those of California and Oregon for a second year. Onerous packaging regulations were also thwarted in California in 2007 but continued activity is expected in 2008.

SDA DEFENDS I&I AUTO-DISH PRODUCTS, ADVANCES NEW APPROACH ON HOUSEHOLD USE

SDA successfully protected the use of phosphates in I&I dishwashing detergents from state-level phosphate bans – while ensuring an orderly market transition to no-phosphate household auto-dish detergent (ADD) products, effective July 1, 2010. SDA’s model legislation has been enacted in four traditionally

activist states thus far, with several others poised to act in 2008.

SDA DATA PROTECTS LIQUID FABRIC SOFTENER, LAUNDRY, HAND DISHWASHING PRODUCTS

SDA’s science-based approach to advocacy paid off in obtaining delayed consideration of proposed rules that would have required the costly reformulation of liquid fabric softeners. California’s Air Resources Board deferred limits on the volatile organic compounds (VOC) in these products pending review of a new SDA study demonstrating that VOC emissions from these products make a negligible contribution to smog formation. That study also demonstrated negligible VOC emissions from liquid laundry detergents and liquid hand dishwashing products.

SDA ACTIVELY ENGAGED IN NORTH AMERICAN ALTERNATIVE TO REACH EPA officials contacted SDA as the leading downstream association working on chemical management policy in advance of an agreement reached between

Continued on page 3



**Natural and synthetic
Tomadol® surfactants.
Now HI&I formulators
have a choice.**

Introducing natural NPE-free Tomadol surfactants. Now you have the flexibility to choose from either natural or synthetic alcohol ethoxylates to meet environmental regulations, improve end-product performance, and lower cost in use. We have 40 years of HI&I experience, so we can help you find the right formulation to maximize performance and profitability. To talk to a Tomadol expert and get a free sample, call 1-800-345-3148 or visit airproducts.com/choice3. Natural or synthetic, Tomadol surfactants are the right choice to make.

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SDA STRENGTHENS IN-HOUSE TECHNICAL, ADVOCACY EXPERTISE

Recent additions to SDA's staff have bolstered our regulatory, environmental and advocacy expertise on behalf of our member companies.

Dr. Paul DeLeo, Director of Environmental Safety, joined SDA from the U.S. Food and Drug Administration, where he served as a Consumer Safety Officer, managing the evaluation of the safety of new food and color additives. Prior to that, he worked as a microbiologist and an environmental scientist for the agency since 1999. Paul also spent several years as a scientist and environmental engineer in the private sector. He has a Ph.D. from Cornell University, where his research focused on environmental microbiology. He also received an M.S. in Environmental Engineering from Rensselaer Polytechnic Institute and a B.S. in Mechanical Engineering from Marquette University.



Troutman: A leadership position.

Doug Troutman is SDA's new Director of Government Affairs, bringing more than 15 years of Capitol Hill and lobbying experience to the Association. Doug joined SDA from Underwriters Laboratories (UL) Inc.'s Washington, D.C. office, where he was Senior Manager, Legislative Affairs. He previously worked as Senior Manager, Government Relations, at the National Electrical Manufacturers Association (NEMA) in Arlington, VA. Doug focused primarily on energy issues during his tenure at UL and NEMA. In the early 1990s, he was a legislative aide to U.S. Senator Arlen Specter (R-PA). In 2000, Doug gained a law degree at Villanova University School of Law. He is a graduate of The George Washington University in Washington, D.C., with a B.A. in International Affairs and Russian Studies.



DeLeo: Stepping up at SDA.

Commission (EC) placed SDA's Rich Sedlak on a Stakeholder Expert Group advising on implementation of REACH. The group will produce technical and scientific guidance on the EU's regulation on the Globally Harmonized System for Classification and Labeling of chemicals. As the sole U.S. representative on the group, SDA will be coordinating its work with the Mission, as well as other North American industry groups and AISE, SDA's European counterpart.

CONFERENCE HIGHLIGHTS SDA SURFACTANT SAFETY RESEARCH

The cleaning product industry has long maintained that many major surfactants do not pose a significant risk to wastewater and the receiving water environment. SDA research, presented at the annual meeting of the Society of Environmental Toxicology and Chemistry, has gone a long way to verify that statement by conducting a retrospective, eco-epidemiological analysis in a major Texas watershed. The research analyzed surfactants found in streams dominated by municipal effluents to validate the assessments. The evidence found in rural and urban areas demonstrates that these chemicals pose minimal risk to aquatic communities.

SDA PARTNERSHIPS SHOWCASE BENEFICIAL USE OF HOUSEHOLD, I&I CLEANING PRODUCTS

SDA's reputation as the go-to source on cleaning products and our ongoing strategic partnerships continue to showcase household and I&I use and the benefits of our member companies' products. SDA has formed a new partnership with the National Education Association Health Information Network and the Centers for Disease Control and Prevention to develop a new, comprehensive school cleanliness program. The partners hosted a one day meeting with a newly formed National Custodian Task Force in December, to develop the plans for a new national award and training program that will be launched in 2008. The Environmental Protection Agency also reached out to SDA for feedback on an EPA "School Chemical Cleanout Program" factsheet. SDA input proved beneficial in suggesting edits to an unfavorable characterization of cleaning products and their ingredients.

ONLINE SDA TOOLS, FACTSHEETS INFORM MEDIA, CONSUMERS ON PROPER PRODUCT USAGE, BENEFITS

After two years worth of work, SDA published its Hard Surface Hygiene Fact Sheet, which summarizes the safe, proper and beneficial use of household sanitizers and disinfectants. CleaningProductFacts.com, a new online resource, was launched by SDA in April 2007, in part to counter misinformation and unwarranted attacks on cleaning products used safely and effectively by consumers every single day.

SDA SHOWCASES INDUSTRY SUSTAINABILITY SUCCESSSES

SDA's ongoing communications efforts on industry sustainability efforts gained national attention, as the American Society of Association Executives (ASAE) prepared a case study that profiled SDA's sustainability-related programs and activities. That report is now featured on ASAE's website and SDA's Sustainability Central. Our interaction with ASAE also led to an invitation for SDA to participate in an August 2007 panel discussion on "Creating Value Through Strategic Social Responsibility" at ASAE's Annual Meeting. Additionally, SDA media outreach on the sustainability-related benefits of concentrated detergents led to coverage in major newspapers and public radio newscasts.

Continued from page 1

Canada, Mexico and the U.S. on a credible, risk-based approach to chemical regulations. SDA worked with its Canadian counterpart and the Consumer Specialty Products Association to issue a statement supporting the framework of the North American agreement, which would ensure coordination of regulatory processes,

promote best practices, offer a forum to share information and keep the health and protection of consumers as a priority.

SDA SPEAKS OUT, FOSTERS DIALOGUE ON GREEN CLEANING, GREEN CHEMISTRY

One-third of SDA member companies gathered in Washington, D.C. for an SDA-chaired conference in November 2007, exploring regulatory, legislative and marketplace trends related to green cleaning. Separately, SDA told California regulators that setting proper priorities for chemicals using risk assessment-based management is key to the success of state's Green Chemistry initiative. In public comments filed with the State, SDA emphasized that cleaning product performance, benefits and efficacy should not be undermined.

NEW REPORT CHRONICLES A DECADE OF HPV SUCCESSSES

Ten consortia, 62 companies, 289 chemicals, 5900 data summaries. This brief description is shorthand for a near decade-long, comprehensive effort by SDA to bring companies from the U.S., Europe and Japan together to compile comprehensive data sets on the health and environmental effects of High Production Volume (HPV) chemicals. A new report chronicles those successes, including the latest: SDA's consortium sponsoring a category of 61 chemicals covering alkyl sulfates, alkane sulfonates, and alpha-olefin sulfonates was successful in gaining OECD endorsement of its hazard and use data set – the largest such endorsement ever by OECD. Since no additional testing was needed for the chemicals in this category, this effort further demonstrated the value of the category approach in minimizing the need for animal testing.

SDA EXPERTISE ON GHS LEADS TO EUROPEAN COMMISSION APPOINTMENT

As a result of a nomination put forward by the U.S. Mission to the European Union (EU), the European

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The Essence of Clean

Evonik's Household Care business line continues to advance our global leadership position by bringing innovative new products and formulations to market that satisfy consumer and industrial customers' needs. With Evonik's extensive market experience, formulation knowledge and technology, we can satisfy today's increasingly demanding product performance desires for laundry detergents, fabric softeners, dish care, hard surface cleaners and car care products.

Our success has always been rooted in our power to create products that are critical to customers' needs, and we are committed to continuing our promise of meeting whatever demands the future holds.

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SDA ACTIVITIES AND ACHIEVEMENTS

FLORIDA STUDENTS TEACH HAND HYGIENE, GARNER NATIONAL AWARD FROM SDA, CDC

The SDA/Centers for Disease Control and Prevention (CDC) national hand hygiene education program, “Healthy Schools, Healthy People: It’s a SNAP,” recently honored students at DeLaura Middle School in Satellite Beach, Florida, with the 2007 Top Classroom Award. DeLaura students created a handwashing education program for their classmates and the local community.

SNAP – the School Network for Absenteeism Prevention (www.itsasnap.org) – is a six-year old program that encourages middle schools to help develop programs that make hand hygiene a priority for students, teachers, school health personnel, administrators and parents.

At DeLaura Middle School, students in Jeanne Dery’s pre-advanced language arts class created an entertaining and educational video that promoted personal hygiene through handwashing. Their video includes four different scenes: scientific research, a handwashing demonstration, and two segments portraying students as villainous germs being pursued by the “germ police.”

The students also worked with local hotels to obtain sample bars of soap to give away to every student who viewed the video. In return, the students created a flyer promoting SNAP and handwashing to be displayed in hotel restrooms and employee lounges.

“Emphasizing hand hygiene in schools has never been more important, especially with the threat of MRSA and staph infections in schools around the country,” said Nancy Bock, SDA Vice President of Education. “Students recognized by the SNAP program are helping to spread the message that washing with soap and water is the simplest way to prevent the spread of the germs that can make us sick.”

The DeLaura students were honored for their work at a school assembly and reception in December.

Several SDA member companies contributed products and/or financial assistance for the SNAP National Award Program, including The Dial Corporation, A Henkel Company; GOJO Industries, Inc.; Reckitt Benckiser, Inc.; Technical Concepts, LLC; and Water Journey, Ltd.



It's a SNAP: SDA, CDC national hand hygiene education program honors students at DeLaura Middle School, Satellite Beach, FL.

SDA REPORT TO THE MEMBERSHIP HONORED AS “TOP INTERNAL PUBLICATION” BY PR NEWS

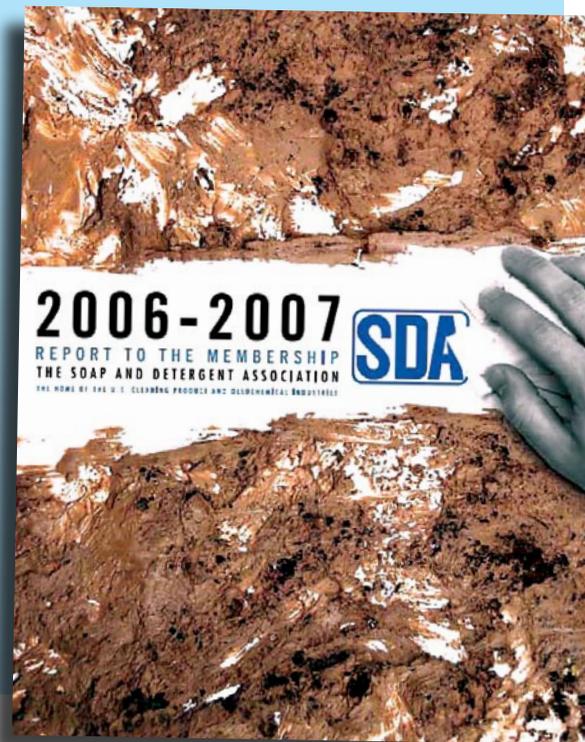
SDA’s 2006-2007 *Report to the Membership* recently won the prestige of the “Top Internal Publication” Award in the *PR News* NonProfit PR Awards competition.

SDA and Ogilvy Public Relations Worldwide accepted the award during a December luncheon held at the National Press Club in Washington, D.C.

SDA and Ogilvy were finalists in the category along with publications from Mount Sinai Medical Center and the Baylor Health Care System.

PR News’ NonProfit Awards annually salutes excellence in communications among nonprofit organizations worldwide.

SDA’s 2006-2007 *Report to the Membership* is available online at www.cleaning101.com/joinSDA.



SDA IN 2007: COMING ON BOARD

DOW CHEMICAL, P&G, PQ EXECUTIVES WELCOMED TO SDA BOARD IN 2007

Executives from Dow Chemical, Procter & Gamble and PQ Corporation were elected to The Soap and Detergent Association (SDA) Board of Directors throughout 2007 to fill existing vacancies.

The recent additions include:

- Tony Frencham, General Manager and Global Business Director – Fabric and Surface Care, The Dow Chemical Company.
- Paul J. Ferrall, Jr., President – PQ Americas, PQ Corporation.
- Jorge Mesquita, Group President – Global Fabric Care, The Procter & Gamble Company

A complete slate of nominees for two-year terms on the Board will be voted on by SDA members during the Annual Meeting on Friday, February 1.



Tony Frencham



Paul J. Ferrall



Jorge Mesquita

We love life

Petresa group of companies acts as a world leader in the manufacturing and marketing of Linear Alkyl Benzene (LAB) and derivatives.

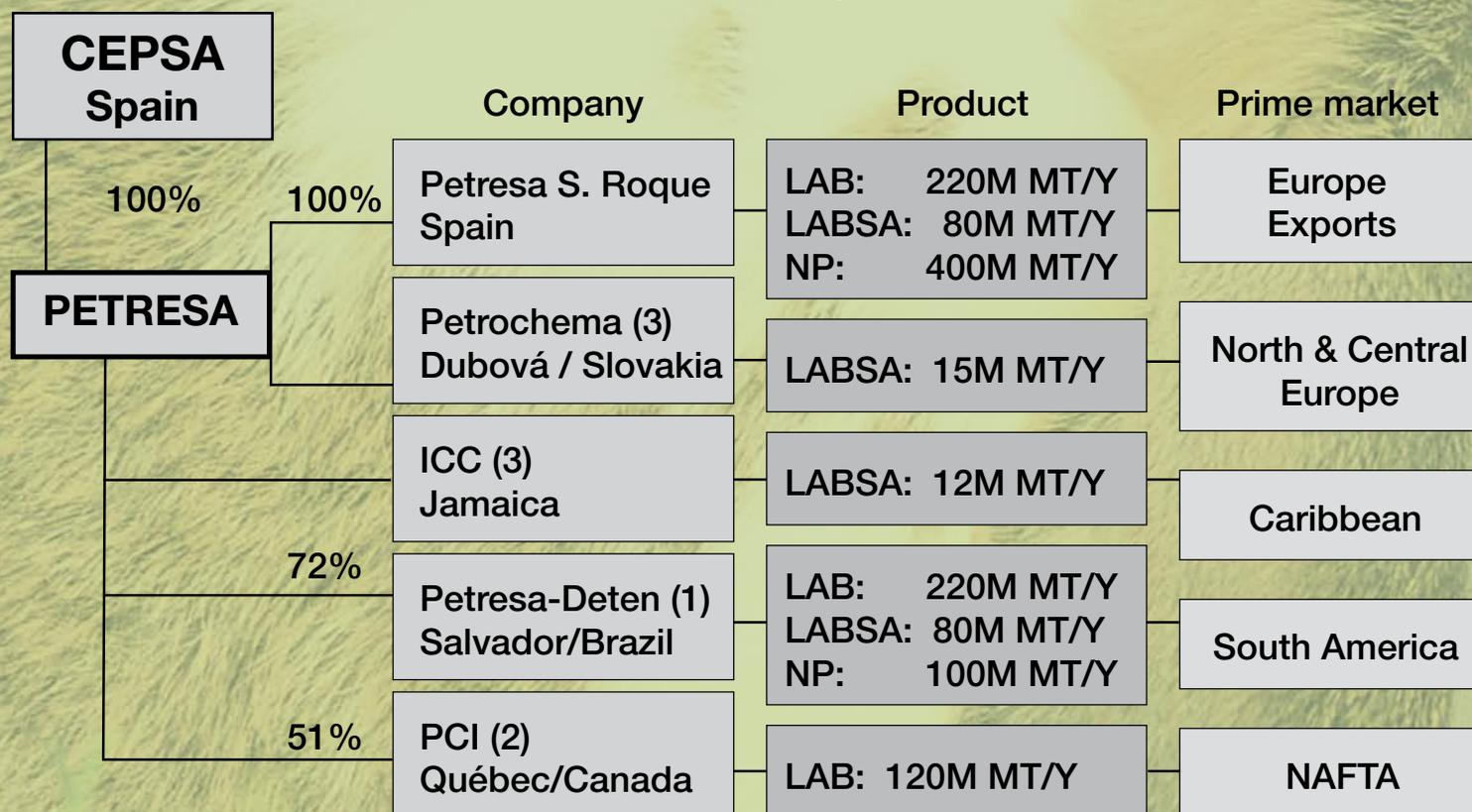
Petresa group consists of three major operating companies: Petresa Spain, 100% owned by Cepsa Spain; Petresa Deten (Brazil), a joint venture between Petresa and Petrobras (Brazil); and Petresa Canada (Quebec), a joint venture between Petresa and SGF. The Petresa group of companies supplies the world with LAB and derivatives and acts as a global player (see attached).

The Petresa group of companies operates a total of 560.000 MT LAB, which represents about 20% of the total worldwide installed LAB capacity.

Petresa Spain operates a 400.000 MT normal paraffin plant, the main raw material used in the production of LAB.

- Products**
- Linear Alkyl Benzene (different types)
 - Linear normal paraffin (different types)
 - Alkylate bottoms

Petresa – A global LAB player



1) JV : Petresa/Petrobras 2) JV: Petresa/SGF 3) Partnership

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LAB DEMAND EXPECTED TO GROW DESPITE FEEDSTOCK PRESSURE, COMPETING PRODUCTS FALL SHORT

Global demand for LAB will grow at 2.5% per year through 2016, according to a study by chemical consulting firm Colin A. Houston & Associates (CAHA). Growth will be strongest in Eastern Europe, the Mideast, and Africa, averaging 4.4% growth through 2016. Established markets for LAB such as in North America, including Mexico, will grow at lower rates: 1.5% annually. Latin America will see 1.3% annual growth while Central and Western Europe growth is to remain stagnant at a rate of 0.4%.

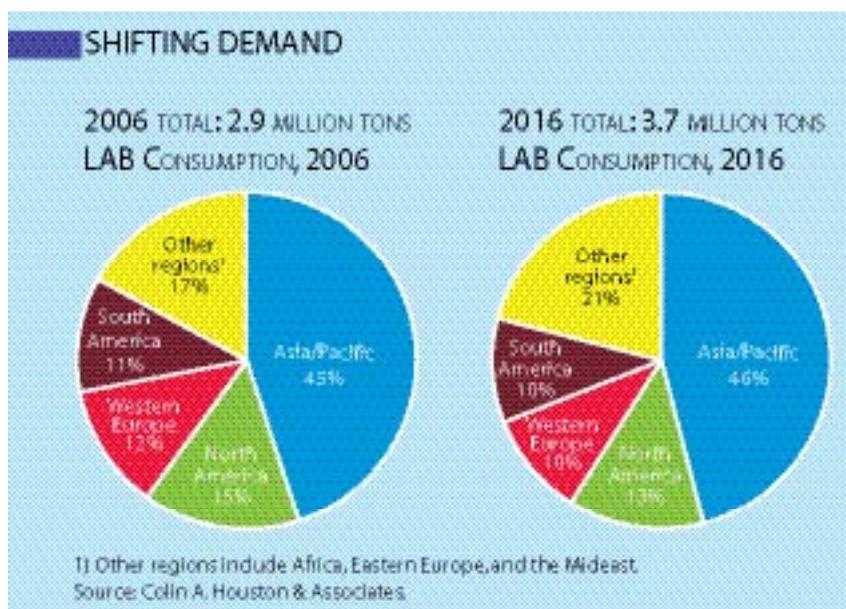
Operating rates for detergent alkylate production were specially low in 2006 but have risen to over 80% in 2007, CAHA says. Problems have included feedstock supply and cost issues. BAB presently accounts for less than 3% of alkylate consumption and will continue to decline. "The cost of propylene tetramers has risen to the point where BAB no longer has an advantage over LAB," says Joel H. Houston, president of CAHA. The demand for BAB-based detergents has rapidly shifted to LAB.

Competing surfactants MES and alcohol derivatives will grow at a combined rate of 5% per

year for the same period, CAHA says. However, oleo-based surfactants have also been suffering from feedstock pressure in the form of rising fats and oils prices, Houston says. "It doesn't look

Meanwhile, MES, which has some performance advantages, is trying to advance on the platform that it is lower-cost than petroleum-based surfactants, which is dubious when the full cost of conversion to the new surfactants is assessed, Houston says. "For example, whether there is an adequate margin to justify retrofitting and reformulating products." A lack of available MES capacity and customer experience coupled with performance shortcomings also restrains its use in detergents, CAHA says.

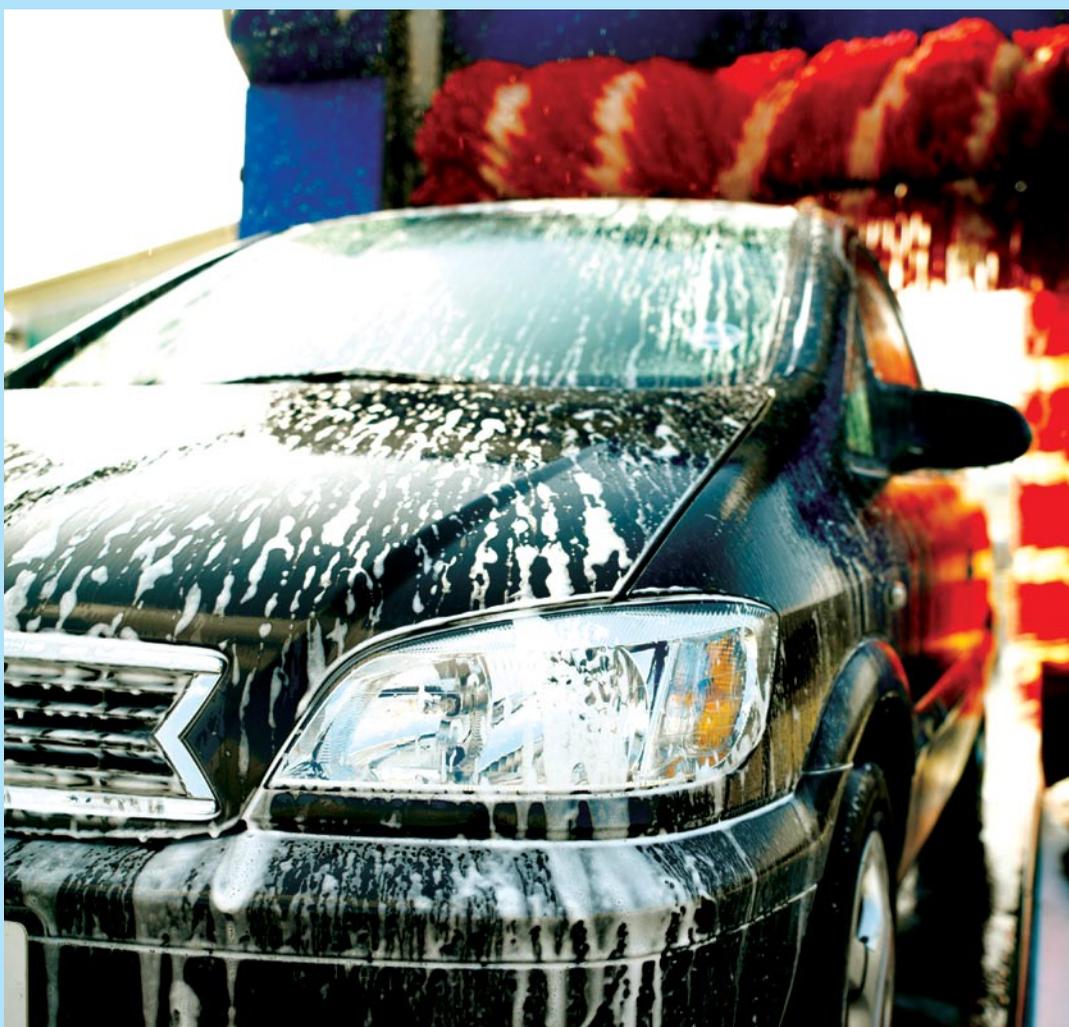
Sasol's permanent idling LAB production capacities at Porto Torres, Italy and Baltimore, MD is an indication of the financial state of the LAB market, Houston says. Producers have suffered low margins due to rising costs, intense competition, and weak pricing power, he says. Sasol says further restructuring plans for its olefins and surfactants division are under consideration. The company will continue to produce LAB at Lake Charles, LA and Augusta, Italy, and plans to cut costs at those sites, says Guido Safran, v.p./alkylates and surfactants. The closures will contribute to higher operating rates, CAHA says. New capacity is expected to come online sometime in the middle of this year. Egyptian Petrochemicals Holding Co. (ECHEM; Cairo) has 100,000-m.t./year of LAB starting up at Alexandria, Egypt. —CW staff



like there is going to be a major downturn in fats and oils prices, which are historically more volatile than petroleum. These price increases have hindered nearly 1 million tons of new alcohol capacity originally set to come online during 2006-2007."

SUPPLIER UPDATES

BASF LAUNCHES SURFACTANT SYSTEM FOR I&I MARKET



BASF says it has introduced a new surfactant system in North America for the industrial and institutional (I&I) cleaning products market. The new surfactants line, under the trade name Inoterra, can be used in a wide range of applications, including general-purpose cleaners, floor care products, warewashing detergents, disinfectants and sanitizers, laundry detergents, vehicle wash aids, and hand cleansers. The surfactants' low-gelling profile allows for faster formulation and eliminates the need to add water slowly during the formulation process, resulting in less energy needed to incorporate other non-ionic additives into water-based formulations, BASF says.

"The initial driver for the design of the Inoterra range was to offer an effective alternative to nonylphenol ethoxylates (NPEs), surfactants that are under pressure to be phased out in North America," says Ernesto Lippert, business development manager/performance chemicals, detergents and formulators at BASF. "During the development phase we discovered many properties that could offer solutions to historically difficult-to-meet needs in the I&I industry such as the cleaning and emulsification of used motor oil." BASF is exploring ways to position the products in regions of the world where NPEs are still widely used, including Asia and South America, Lippert says.

The company says it will launch two initial product lines: Inoterra EM, which is designed for products that require oil-soluble emulsification, and Inoterra DW, which includes detergency and wetting capabilities. BASF is currently working on other proprietary environmentally responsible cleaning additives designed to address additional I&I market needs, which are expected to be launched in the NAFTA region in 2008-09, Lippert says. —CW staff

COGNIS' SALES, EARNINGS RISE ACROSS ALL CORE BUSINESS UNITS

Cognis reported net income for the first nine months up 16%, to €21 million (\$30.9 million) before special items, on sales up 4%, to €2.65 billion. Cognis reported an €82-million loss including special items, compared with net income of €5 million in the year-ago period. Third-quarter figures were not disclosed.

"We are satisfied with the way the business has developed over the first nine months of the year, as Cognis has achieved growth in sales and earnings

across all its strategic business units," says Cognis CEO Antonio Trius. "We are currently confronted with a number of challenging factors simultaneously," Trius says, "but we have been able to counteract the effect of these by improving our position in our key markets driven by the wellness and sustainability trends, by successful cost management, and by partially

'We're currently confronted with a number of challenging factors simultaneously'

offsetting the increases in raw material costs."

Cognis's Care Chemicals unit reported sales up 6%, to €1.086 billion, compared to the year-ago period. Sales were driven by strong demand for performance ingredients and primary surfactants, Cognis says. Sales for the company's Functional Products division rose 3.4%, to €665 million, while sales for Cognis Oleochemicals, the 50-50 joint venture between Cognis and Golden Hope, increased 8%, to €450 million. "Sales of fatty acids and glycerin grew particularly strongly, reflecting increased selling prices," Cognis says. —CW staff

THE THREE KNOWS OF LEADERSHIP

Part One of Two

Ernie Webb, The Ropella Group

There are thousands of books and articles and over a million items on the web about leadership, so why would we need one more?

Because, most people read the books and articles, and then go on about their business, as if nothing ever happened. Leadership requires action. It also needs to be defined in terms of the culture within which it exists. Genghis Khan was a very effective leader in the context of his culture. Also, many of these missives on leadership have so many steps to follow that it is easy to get lost in the maze. Let's keep it short.

Let's look, then, at leadership within the American way of life. Within our culture, a true leader needs two cornerstones to stand upon: Character and Competency, and an understanding of these two qualities in the context of three things: *The Three Knows of Leadership*. The two cornerstones are simply: Character and Competency. Many companies are now following the lead of Southwest airlines to "Hire for attitude, train for skills," because what you know can easily be changed. Changing who you are is much more difficult. These two qualities then need to be viewed through the lens of *The Three Knows of Leadership*.

- Know your job—and be good at it.
- Know your people—and provide them with the proper support and guidance.
- Know yourself—and be humble for the knowledge.

Read more in Part Two in the next issue.

Ernie Webb has lead leadership development programs in some of the world's largest companies across the globe. Find out more at www.RopellaGroup.com

Ropella & Associates has been finding leaders for 20 years. Now we're making them better.

Leadership Development and Executive Coaching



Patrick Ropella, a trusted name for Executive Search and Consulting in the Chemical and Allied Industries, is proud to announce the launch of the Ropella Group, focusing on Leadership Development and Executive Coaching.

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Ernie Webb

Bob Carroll

Patrick Ropella

Ernie, Bob and Patrick, together with their team, bring many years of leadership development experience with some of the world's most successful organizations, including:

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Cognis Care Chemicals' green chemical solutions – a new benchmark in natural and renewable specialty chemistry. Demand for green products in the Home and Personal Care segment, not to mention the Professional Cleaning market, is accelerating. Utilizing our 160 years of experience in renewable and natural-based raw materials, Cognis combines specialty chemicals competence with marketing know-how to create ambitious offerings for our customers, focused on the end consumer and always in tune with the market trends. With our „green chemical solutions“, we offer a strict and transparent classification system for our portfolio, showing the proportion of natural, renewable raw materials in our products. It is your choice how far you want to go in the light of the Ecoethics trend.

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INVESTING IN INNOVATION AND TECHNOLOGY

AIR PRODUCTS' TOMADOL SURFACTANTS: OUR PRODUCTS, YOUR ADVANTAGE

Increasing global demand for environmentally friendly products by consumers and regulators is driving significant reformulation of cleaning products to eliminate nonyl phenol ethoxylates (NPEs), reduce volatile organic compounds (VOCs), and develop products based on renewable or bio-based resources. Air Products continues to invest in innovative products and applied technology to provide solutions to formulators to successfully develop cleaning products that meet the changing needs of their customers. Most recently, Air Products has introduced a series of natural Tomadol® surfactants.

Air Products' natural Tomadol surfactants are derived from palm or coconut oil and provide formulators with a choice of alcohol ethoxylate surfactants to meet their customer's demands for bio-based solutions in the Industrial and Institutional (I&I) cleaning industry.

"Natural Tomadol surfactants provide formulators with flexibility. If bio-based or renewable resources is their primary concern, then our natural Tomadol surfactants are the answer," said Russ King, marketing manager for Air Products Performance Solutions.

Besides the use of bio-based oils, these new Tomadol surfactants are also efficient, environmentally friendly alternatives to phenol-containing surfactants such as NPEs, which have been under scrutiny as being environmentally persistent.

In fact, before Europe enacted the Detergents Regulation and as several big box retailers dictated the removal of NPE-containing cleaners from their stores, Air Products commercialized its innovative Tomadol 900 surfactant series to provide a cost-effective solution to formulators to replace NPEs in their cleaning formulations. These products provide superior removal of heavy soils in hard surface



King: Marketing manager/performance solutions at Air Products.



Application driven: Air Products' researchers develop break-through "green" technologies for I&I formulators.

cleaners at much lower concentrations than those containing NPEs.

Formulations using Tomadol surfactants also use much less solvent than NPE-containing solutions enabling the manufacturer to meet increasing restrictions on total VOC content. Tomadol surfactants also offer much faster solution times and a lower viscosity profile, which can increase asset utilization/productivity for the cleaning solution manufacturer.

"Whether you are seeking a natural source for your alcohol ethoxylates or are looking to replace NPEs, Air Products' Tomadol surfactants offer its customers a true competitive advantage," said King.

With Air Products' 40 years of I&I experience, our applications labs offer formulators solutions for the challenges they are facing to optimize product performance and profitability.

SEEKING CLOSER PARTNERSHIPS

CRODA TACKLES PRICING PRESSURES, REGULATORY ISSUES

The soaps and detergents industry continues to be confronted with high energy, freight, and raw material costs, prompting those on the supplier side to work closer with customers to improve efficiencies and cost savings, suppliers say. The industry is also facing regulatory challenges that may influence changes in end-use products, they say. These include the European Union's (EU) Registration, Evaluation, and Authorisation of Chemicals legislation, as well as possible efforts to modify the U.S. Toxic Substances Control Act. "Besides the normal business pressures of trying to develop better products with greater performance and helping customers to identify different claims and enhancements in their products, we have pricing pressure issues and regulatory issues," says Kevin Gallagher, president/Croda North America.

Croda's response to rising pricing pressures is by working with its customers to find "additional, more cost-effective ways to use our materials," and "seeing if there's ways that we can help them reduce the cost other than those basic raw material price increase drivers that aren't under our control," Gallagher says. "Where there's an opportunity for us to reduce or eliminate the packing costs or to achieve a more efficient supply chain, then [we try] to work with our

customers to look at their actual cost in use of the product," Gallagher says.

On the regulatory front, Croda's \$758-million purchase of Uniqema oleochemicals and derivatives business from ICI in September 2006 gives Croda an advantage that the company was previously lacking, Gallagher says.

"With the acquisition of Uniqema we also acquired a very robust global product health and safety organization," Gallagher says. "That global organization has really allowed us to take and have a regulatory strategy and be able to use that regulatory strategy to inform our product development efforts." Prior to the Uniqema acquisition, new product development efforts, "at the end of the day, might or might not have fit with different regulations around the world," Gallagher says. The company now applies its regulatory strategy "to the way that we go about developing raw materials so that they are compatible and they ease the pressure on our customers," he adds.

Croda says it expects the Uniqema acquisition to be fully integrated by year-end. Croda has integrated its field sales staff in North America and is in the process of integrating its customer care functions as it implements SAP throughout all aspects of the business, the company adds.

—CW staff



Gallagher: Finding cost-effective solutions.

P&G ANNOUNCES NEW LEADERSHIP APPOINTMENT

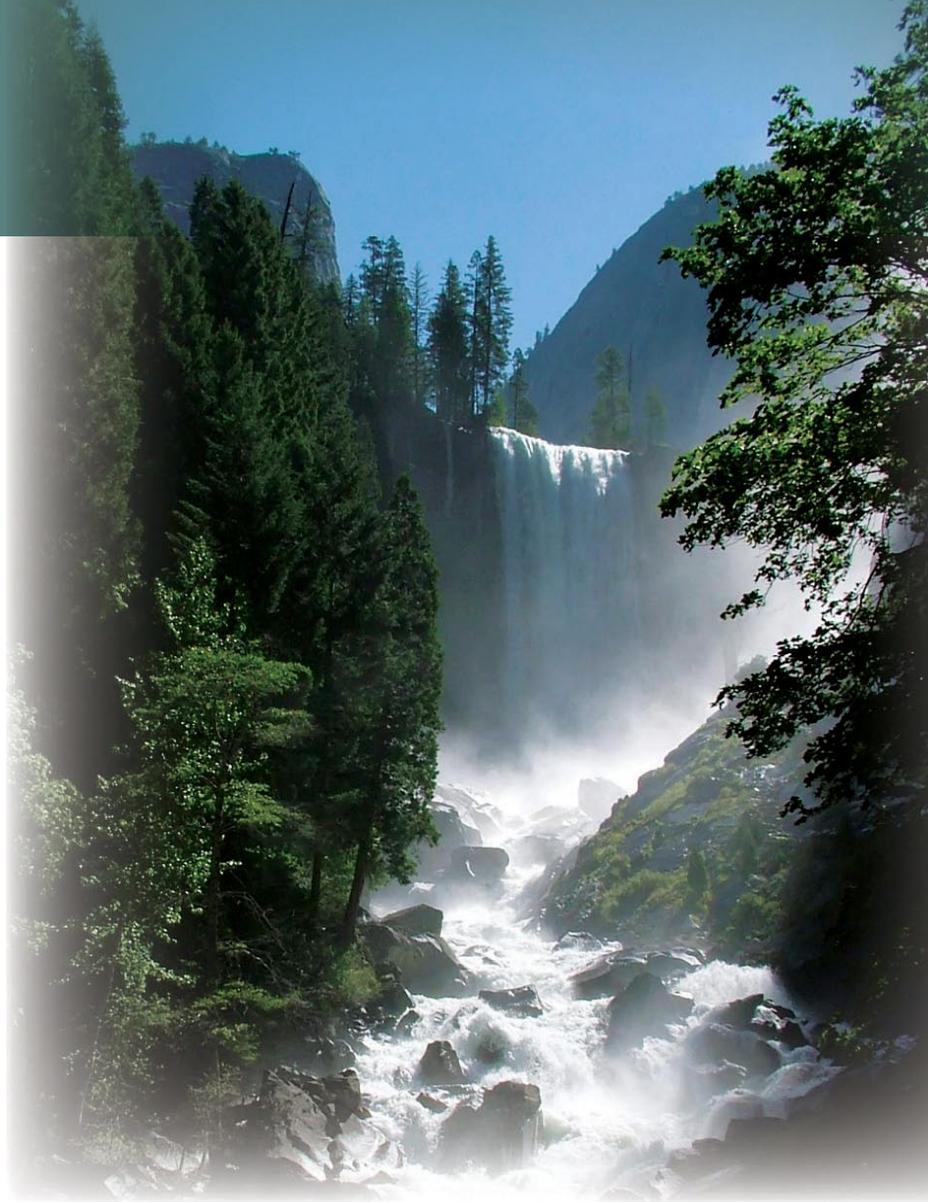
Procter & Gamble (P&G) says it has named Patricia A. Woertz to the company's board of directors, effective immediately. Woertz is currently chairman and CEO of Archer Daniels Midland. She has previously held executive positions at Chevron. Woertz "is an outstanding business leader with an exceptional blend of strategic, analytical, business and leadership experience," says A. G. Lafley, P&G chairman and CEO. "Her track record in building strategic and shareholder value will make her an outstanding board member."



Woertz: P&G's newest board member.

WITH CRODA...

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Green consciousness is no longer just a fad that's limited to a small handful of specialty manufacturing firms. It is now a mandate with more and more retailers, governments and public institutions demanding environmentally-friendly products that can meet stringent standards.

The Design for the Environment (DfE) program, run by the US Environmental Protection Agency was established to ensure that the safest ingredients for the environment and families are used in formulations. No company has risen to meet these needs like Croda.

Croda offers over a dozen DfE approved surfactants and ingredients, with more being approved even as you read this.

Look to us first for a wider range of options and the ability to create the next generation of hard working household products, with a respect and responsibility for our environment.

For assistance, please contact your Croda representative...

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MONATROPE™ 1620

MONATROPE 810

RENEX™ 30

SPAN™ 20

SYNPERONIC™ NCA 810

SYNPERONIC NCA 850

SYNPERONIC PE/L61

SYNPERONIC PE/L62

TWEEN™ 20

TWEEN 81

TWEEN 85

For details about these and other useful ingredients, visit crodausa.com

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CRODA

PRICES

U.S.: \$125-\$155/ton, fob, 2008 contracts
 EUROPE: €160-€185/m.t., del, 2007 contracts
 ASIA: \$270-\$330/m.t., cfr, spot

OUTLOOK

Demand in the 47-million m.t. global soda ash market is expected to grow 4%/year through 2012, says Marguerite Morrin, director/chlor-alkali and vinyls Europe for CMAI (Houston). Much of this growth will be in China, which accounted for about 32% of global demand last year, Morrin says. Demand in China is expected to rise by about 7.8%/year, she says.

China's consumption of soda ash coupled with short supply due to a lack of capacity expansions have tightened global market conditions. "The global market is virtually sold out," one producer says.

Also, strong demand growth is also projected for Central Europe and the Mideast, Morrin says.

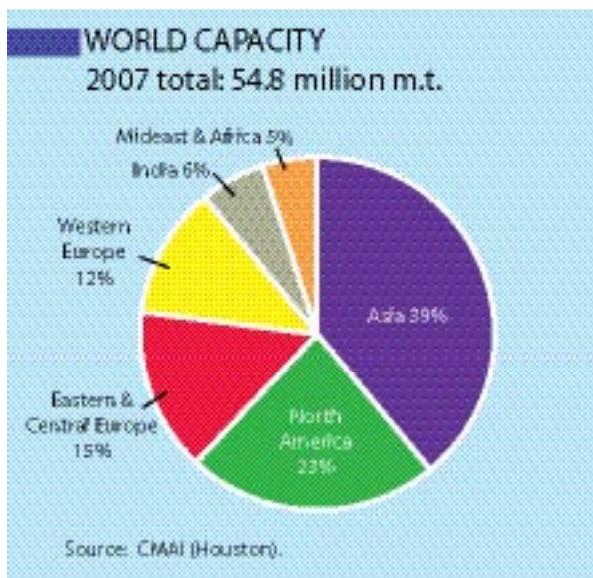
The outlook for flat glass, a major soda ash application, remains healthy, even in developed regions in which construction markets are suffering, Morrin says. Flat glass's high performance characteristics will drive demand, she says. Emerging regions, especially China, will still undergo the most growth, however. Flat glass demand worldwide will rise 5.9%/year from 2006-11, while demand in China is projected to grow 10.4% during the same period.

The tight conditions are likely to persist throughout much of 2008. China has been adding capacity, though not enough to satisfy its demand, market sources say.

The only large new capacity increase due online is Eti Soda's (Beyazari, Turkey) greenfield project at Beyazari. Half of that plant's 1-million m.t./year capacity is due at year-end, but there is speculation it will be delayed, Morrin says. Other capacity additions in the near future are not large enough to make a significant impact on the global market, she says. Solvay is bringing an additional 300,000 m.t./year online incrementally at Devnya, Bulgaria. Ciech (Warsaw) is debottlenecking its Govora, Romania site, which will add 250,000 m.t./year by 2009.

Tata Chemicals (Mumbai) subsidiary Brunner Mond's (Northwich, U.K.) has delayed startup of its 360,000-m.t./year unit at Lake Magadi, Kenya. The plant, which was due to start up in late 2006, has experienced technical problems, market sources say.

In the U.S., producers have responded with a "measured approach" to restarting idled capacity,



Morrin says. "Producers remain mindful of over-capacity by bringing back any idled capacity in a very phased manner. A fear of excess in China has been responsible for the relatively slow rate of capacity expansions." FMC has brought back 500,000 m.t./year of idled capacity in two stages at Granger, WY.

Meanwhile, soda ash prices have been rising, due in part to short supply, as well as higher ocean freight rates, market sources say. Vessel freight rates have climbed to record levels in many shipping lanes, which may result in trade flow changes in 2008, they say.

However, supply is tight enough that North American producers are still competitive overseas, Morrin says. "Also, European producers are facing higher coke prices, and Chinese producers are not aggressive on exports," she says.

The soda ash industry is also consolidating, as companies try to become more global players. Tata Chemicals' 2006 acquisition of Brunner Mond gave the company a European production base and a cost-competitive and logistically favorable site in Kenya, the company says. Ciech became the second-largest soda ash producer in Europe when it acquired Sodawerk Stassfurt last November. Gujarat Heavy Chemicals (Nodia, India) acquired a majority share in SC Bega Upsom's 300,000-m.t./year plant in Romania in 2005, and Sisecam (Istanbul) acquired a soda ash plant in Bosnia in 2006. More recently, Nirma (Gujarat, India) acquired Searles Valley Minerals (Overland Park, KS) from private equity firm Sun Capital Partners (Boca Raton, FL) late last year.

TECHNOLOGY

Most U.S. producers make soda ash from mined

trona ore, which is concentrated in Wyoming's Green River Valley. European and most Asian soda ash is produced synthetically from limestone and brine.

PRODUCERS

(in thousands of m.t./year)

NORTH AMERICA

U.S.

FMC ¹	3,645
OCI Chemicals	2,500
Solvay Chemicals	2,430
General Chemical	2,160
Searles Valley Minerals ²	1,200

Mexico

	250
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SOUTH AMERICA

Argentina	260
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Brazil	240
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WESTERN EUROPE

France

Solvay SA	800
Novacarb	600

Germany

Solvay SA	1,140
Sodawerk Strassfurt ³	400

Netherlands

	300
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Portugal

	230
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Spain

	950
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U.K.

	1,100
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EASTERN EUROPE

Bulgaria	1,200
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Poland	1,100
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Romania	700
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Russia	2,180
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Ukraine	1,100
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MIDEAST/AFRICA

Mideast	1,600
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Botswana	300
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Egypt	135
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Kenya⁴	360
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ASIA/PACIFIC

Australia	385
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China	17,200
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India	3,300
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Japan	
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Central Glass	360
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Tokuyama Soda	360
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1) Includes 300,000 m.t./year of idled capacity at Granger, WY. 2) Acquired by Nirma (Gujarat, India). 3) Acquired by Ciech, pending regulatory approval. 4) Not fully operational. Source: CW research, company reports. —CW staff

LAB MARKET NEWS

DEMAND GOWTH LIMITED IN 2008, MARGINS UNDER PRESSURE

Demand growth for linear alkylbenzene (LAB) and its derivatives is expected to be "pretty limited" this year, with average growth of about 2%, due to the mature markets of North America and Europe, says Mark Quintyn, commercial director at Petresa (Madrid). Escalating raw materials used in the production of LAB "have damaged enormously the margins in the LAB business, to the extent that at several occasions during 2007 the sustainability of business was at risk," Quintyn says. "Price increases were necessary to offset this," and "with current conditions, the industry is still experiencing too low margins, if any," he says.

The LAB market faces similar conditions this

MARKET PRESSURES*

Region	CAPACITY		DEMAND	
	2007	2008	2007	2008
North America	540	460	410	420
Europe	600	500	340	345

*Source: Petresa (Madrid).

year, Quintyn says. "As long as the market is not prepared to recognize that rapidly increasing raw materials have been reflected in detergent pricing, we will continue with similar frustrating scenarios in 2008," he adds.

Global LAB growth was roughly 3%-4%

in 2007, Quintyn says. China, Mideast, and Southeast Asia showed the strongest growth, at about 5%-10% last year. Demand in industrialized areas, including North America and Europe, was flat in 2007, growing at about 2%/year, Quintyn says.

Capacity utilization was below 80% in North America and Europe, driven by escalating economics and the availability of raw materials. "If margins become unsustainable, companies tend to reduce production," he says.

Key downstream drivers for demand continue to be detergent formulations, given that "the detergent industry is looking for the best cost-performance scenario and those are driving the different uses of surfactant chemicals like LAB," Quintyn says. —CW staff

SDA HIGHLIGHTS 2007 ACHIEVEMENTS, SEES BRIGHT OUTLOOK FOR 2008

Chemical Week recently conducted an interview with Ernie Rosenberg, SDA president and CEO, who highlighted SDA's 2007 accomplishments and the association's plans for the future.

Can you describe what have been SDA's major 2007 accomplishments?

Overall, SDA had an extraordinarily successful year. We delivered for the members on every front, organizationally, financially, and in terms of our education programs. Of course the highest profile things are the advocacy activities that we undertook. We got a provision into both the House and Senate energy bills that would have reversed a weird tax credit that would pretty much make tallow unavailable for making soap and oleochemicals. Unfortunately, the tax provisions got vetoed in the end because of politics unrelated to this issue, but the fact that in an uphill fight we got it into both the House and the Senate bills was a big achievement, and our members are continuing the activity in 2008 with our help. The other good thing is that it did open up lines of communication with a lot of people in Congress that we hadn't really been dealing with before, which should stand us in good stead with a lot of things coming down the pipe.

Some time back we adopted a position on household automatic dishwasher detergent that agreed to the phase out of phosphates by July 2010. We were successful in every state that brought it up in getting our provision adopted—with a little burp in Maryland on the effective date, but we still hope to get that effective date changed. In Maryland it's January 2010, instead of July. It doesn't seem important, but given all the marketing elements that have to be brought into play to get the product into the marketplace and the old product out, 2010 was our key target. Importantly, we protected the use of phosphates in I&I cleaners. All the decision makers we dealt with that were pivotal to this recognized that for the I&I market no compromise on the economics or performance could be accepted, so they weren't willing to take the gamble of moving forward with a hard deadline for phasing out phosphates as they were for household detergents.

We protected a number of products that require the use of solvents or other volatile organic compounds. In California, there was a proposal to very quickly restrict the content of VOCs in fabric softeners in some laundry products, particularly the liquids and the softeners and in hand dishwashing products, and that's been deferred based on the technical information we've provided. We've worked together with the Consumer Specialty Products Association, which relied on the technical work that SDA had done. Although California is looking for every ounce of VOC reduction it can get, this would severely compromise important products that the consumer needs that provide important functions without giving them any air quality benefit to speak of.

One of the more recent developments is in August. SDA was one of the very few associations consulted by the EPA on the agreement that the U.S., Canada, and Mexico reached on the North American chemical management program. We're working with EPA and our Canadian counterpart to make that a suitable model for chemical management that is risk based, that sets priorities based on potential for risk, and that will be providing results faster than the European system will provide results. It's not as harsh as the European system because it doesn't impose penalties on everyone. It looks for which chemicals we really need to be paying attention to

and upgrading the management of. So they went through their 23,000 chemicals in Canada. Based on information that was already available, they were able to find that 19,000 of those didn't merit any further work. And on the roughly 4,300 [other chemicals] industry is working together with them to make it a program that will deliver the results that the U.S. and Canada have promised. [The promise] is a substantial number of initial control actions and reviews of 9,000 chemicals by 2012 to get screening level



risk assessments done on 9,000 chemicals to basically all the MPBs and HPBs, which brings it down to about 25,000 pounds per year—and that's the lion's share of chemicals in commerce, particularly chemicals that would be in any kind of use, whether it be significant environmental release or consumer exposure. We're really encouraged by that. We're going to be shifting our attention to some degree from Europe to North America and the Asia/Pacific region since it seems the Europeans are locked into their Reach approach, but the rest of the world still has time to adopt a much more workable and effective program.

What brought about the "Going Beyond Green" theme for this year's convention?

Sustainability and what it means has been a focus of SDA for a long time. We're very fortunate—SDA is an association that represents a progressive industry that has been innovating and making its products safer both for human health and for the environment for decades. Most of that change in the products has been voluntary and it's driven by the marketplace. Companies want to be able to represent their products as being greener than the next guy, which is why we talk about "beyond green." Our companies aren't looking at just something in one element that can be called green, but in improving the products all through the life cycle.

We think educating people is part of sustainability. These products need to be used properly in order to be as sustainable as they're capable of being, so the educational process is very important. We've also been talking to people about mak-

ing sure that we are permitted by regulations or other pressures to really focus on the importance of sustainability characteristics of the products. Most of what you read about is about the toxicity of household products and the need to change the chemicals, when in fact, there's very little prospect for improving the toxicity of the products to the degree that you'd see any real difference in the outside world and environmental impact or human health and safety. We understand it's a continuous process of making them ever safer, but there isn't much bang for the buck there. Where there is bang for the buck is sustainability, reducing the energy demands that cleaning requires, reducing the amount of water that's needed in cleaning, reducing packaging as is the case with concentrated liquid detergents—so you've seen a lot of activity in this area.

We're highlighting it at this year's meeting because it's highlighted everywhere else in the world. But we did want to make the point that we're going beyond the kind of facile characterizations of sustainability and going into what will really make a difference to human health, the environment, and social sustainability, including the economics of cleaning, the ease of cleaning—our mission is to improve the quality of life through cleaning.

What are the other key drivers of industry growth?

I think the principal driver of industry growth is innovation that addresses the residual deficiencies in cleaning in the sense that it's harder than it should be, or it's more expensive than it should be, or it has more of an impact on the environment than it potentially could. So innovation is addressing all those things, but anybody in the industry—any of the major companies—will tell you that through just meeting the demand of a growing population is insufficient, and if we relied on that kind of growth, our products will become commodities. It's very important for the industry to generate the income necessary to sustain innovation, which has economic as well as environmental health benefits—the income necessary to sustain innovation comes from innovative products. It doesn't come from just day-to-day growth in the industry because population grows by a couple to three percent per year.

What is SDA's outlook for 2008?

It's going to be busy. It tends to be the place in which everybody looks, which is advocacy. California and the North American chemical management process, the evolution of that process in the Asia/Pacific region are going to be major activities. I personally am going to be shifting a lot of my focus from Europe to the Asia/Pacific region. That doesn't mean we're going to

drop working on the strategic approach to the international chemicals management or trying to assist our members in their efforts to comply with Reach, but the horizon for chemical management is not in the direction of Europe. It's Asia, it's to the north in Canada and the south in Mexico, and to the rest of Latin America. We've done what we could to a large degree in Europe, and now we've got to maintain that. But now it's more of a level of effort rather than a major thrust because Reach is in place. Even if we wanted to change parts of Reach, we wouldn't get much of a hearing. But the rest of the world can still do something smart. We're [also] going to be focusing on risk-based labeling in the globally harmonized system.

'We're going to be shifting our attention to some degree from Europe to North America and the Asia/Pacific region'

SDA IN 2007: THE CLEANING PRODUCT INDUSTRY – FRONT AND CENTER

Throughout 2007, SDA offered its members prime networking opportunities and information updates, represented them at industry and educator conferences, and served as the industry's voice to the news media.



SDA Board and Committee meetings throughout the year offer formulator and supplier members opportunities to work on issues critical to the cleaning products industry.

(From left clockwise) Kevin Bearsto, Alco Chemical, and Robert Lindenschmidt, Procter & Gamble, take part in a Strategic Advisory Committee meeting at SDA's Mid-Year Meeting. Pedro Somarriba, AIEn Americas, and SDA Board member Robert Chouffot, Shell Chemicals, at SDA's Fall Meeting. SDA Board members Tony Frencham (left), The Dow Chemical Company, and Larry Peiros, The Clorox Company.



SDA was one of several national sponsors of the **EcoVision 2007** conference in Washington, D.C., which featured discussions and exhibits on implementation of environmental and energy technologies. Former House Speaker Newt Gingrich (left) and SDA President Ernie Rosenberg talk at the EcoVision conference. (Below) An exhibit highlighting SDA's sustainability-oriented programs at EcoVision 2007.



In Demand: SDA's booth with member company products was the center of attention at the American Association of Family and Consumer Sciences' annual convention.

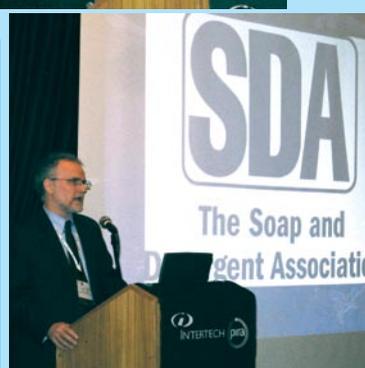


Media Outreach on the Benefits of Clean: SDA's Nancy Bock prepares to tape TV footage for SDA media outreach on the benefits of good hand hygiene.



SDA chaired a conference held by Intertech Pira on environmental and regulatory trends affecting the cleaning products industry.

Andrew Douglass (top, center), Rhodia Novecare; Joop Van der Laan (above, left), Genencor; and Tom Yogan (above, right), Monosol, were among seven SDA member company representatives speaking at the conference. (Pictured at right) SDA's Rich Sedlak, who served as the chair of the conference held in Washington, D.C., opens the event's proceedings.



Honoring Innovation: Representatives of Solvay's business and research teams were honored with the 2007 Glycerine Innovation Award, sponsored by SDA and the National Biodiesel Board. Dr. Noel Boulos (left), Solvay Chemicals, accepted the award from SDA's Kathleen Stanton at the American Oil Chemists' Society annual meeting.

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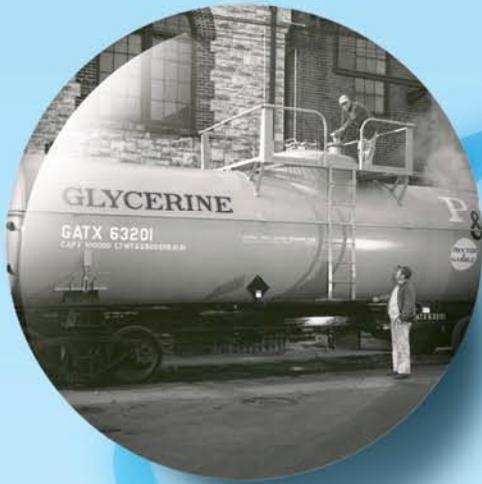
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