



THE MARKET

Did you know that toilet tissue is the largest category in household goods? Toilet tissue accounts for \$567 million in retail sales in Australia per annum.

Toilet tissue sales are currently growing at 6.0 per cent in value versus 2.2 per cent in the previous year. People buy a particular toilet tissue because of its practical performance attributes – softness, thickness and strength – and because of its decorative features and price. The interest in decorative features, particularly prints, differentiates the Australian market from that of the UK, Europe and the USA.

The facial tissue market accounts for \$171 million in retail sales in Australia per annum. Facial tissue sales are currently flat versus the previous year, however Sorbent facial sales have exceeded category growth in both volume and value. Consumers buy a particular facial tissue because of its softness performance and the home decoration aspect of its box design.

ACHIEVEMENTS

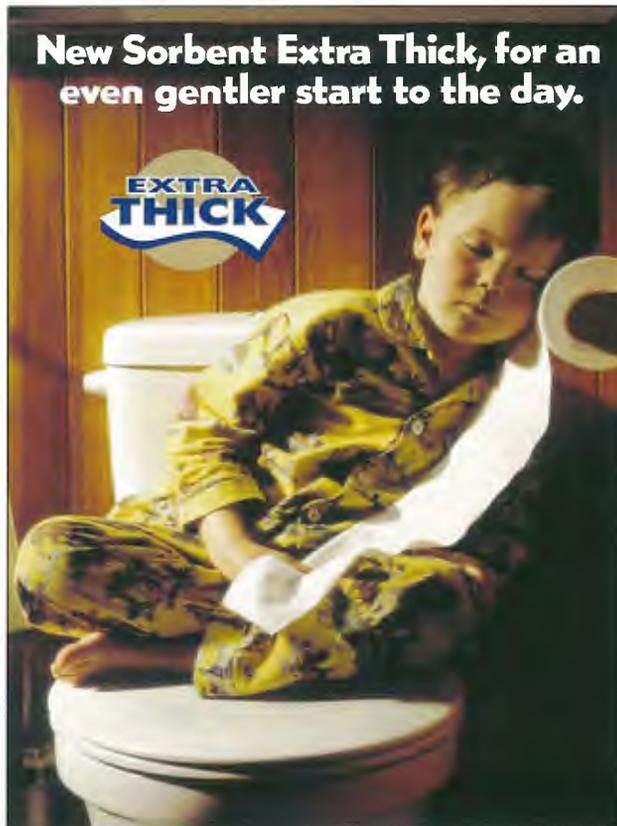
Sorbent is one of Australia’s best known brands and in 2000 was ranked Number One Selling Household Product in AC Nielsen’s Top 100 brands for the fifth year running. Sorbent has been a key driver behind market value development in 2001, delivering nearly \$16 million in additional sales growth. Since its launch in 1952, Sorbent Toilet Tissue, an Australian born brand, has successfully led the toilet tissue category against global competition.

Sorbent has become a household name, largely through consistent high profile advertising, always featuring humour and the Sorbent jingle. “What’s the gentlest tissue in the bathroom you can issue, why it’s Sorbent” was used in the first Sorbent television advertisement in 1956, and the jingle or the music have been used ever since.

While only softness ranks as the key consumer purchase criterion in toilet tissue in most other countries, in Australia Sorbent has driven the market with its unique combination of thickness and softness. Over 2.6 million toilet rolls are sold every day in Australia, and Sorbent accounts for 25 per cent of the volume and 30 per cent of the value of all rolls sold.

HISTORY

Sorbent was launched in 1952 as the first crepe toilet tissue. It was sold in single rolls of one-ply white tissue and was the first tissue sold to a standard length of 500 perforated sheets. The rolls



were pre-wrapped in paper, not the practice before this time, enabling the product to carry the brand name and message.

In 1963 Sorbent introduced the first coloured tissues, and in 1966 a twin roll pack in plastic packaging replaced the old paper-wrapped single roll. By 1968 Sorbent had 50 per cent market share.

In 1971 Sorbent introduced the first embossed softer and thicker sheet and increased sheet count from 500 to 550.

High unemployment and inflation in the 1970s saw consumers turn away from Sorbent and other nationally marketed brands until 1983, when Sorbent was re-launched as the first two-ply toilet tissue. The claim ‘thick, soft Sorbent’ was established and remains intrinsic to the brand today.

In 1985, after an investment of \$25 million, a revolutionary new toilet tissue was produced.

New Generation Sorbent was far softer, more

absorbent, stronger and thicker than any other. By 1986, supported by the Sorbent BYO television commercials, the brand’s share grew significantly.

During the late 1980s and early 1990s the major threats to Sorbent were the emergence of environmentally friendly products and the many new brands that imitated premium decorative features at a much lower price. However, Sorbent embarked on a period of significant growth, following continuous product improvements, correct pricing relativities and strong advertising.

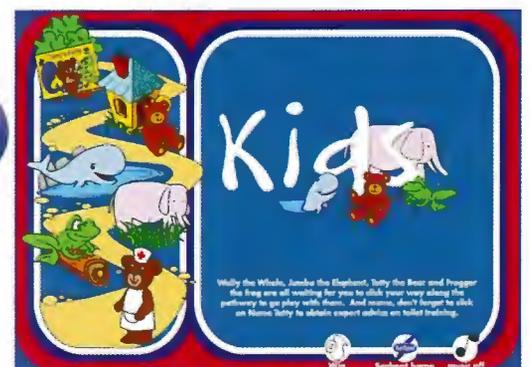
In the early ’90s Sorbent entered the facial tissue category with the launch of three facial tissue packs. By the end of 1991, Sorbent had already achieved 3.8 per cent market share.

In 1991 Sorbent was also launched into New Zealand, becoming a truly international brand. In the same year, after an investment of more than 150 million dollars, Sorbent’s product quality was once again improved dramatically. The product quality of Sorbent facial tissues also lifted in 1993, doubling market share to 8.9 per cent.

In February 1995, Carter Holt Harvey Tissue took over Sorbent’s makers Bowater Tissue, paving the way for the development of Sorbent as a global brand.

Sorbent launched its distinctive range of multi-coloured print designs in 1995 to meet growing consumer demand for printed toilet tissue. 1996 was a great year for Sorbent with the highly successful “Babe” promotion, and the launch of a Hypo-allergenic range (free of inks, dyes and perfumes), strongly supported on air by the controversial “Scratch” television commercial which took market share ahead of its projections.

In 1998, Sorbent continued to lead innovation with the introduction of a Silk range, also with its own television commercial. 1998/1999 saw the renowned “Paper Boy” television commercial, and “Australia’s Favourite Morning Paper” tailor



made promotions.

In 2000, Sorbent relaunched its whole range with new and innovative packaging as well as a new Kids toilet tissue. Since the innovation of Sorbent Kids Toilet Tissue, the brand has taken a stronger stance in the young family, premium tissue market. In mid 2000, Sorbent significantly increased the softness of its facial tissues and re-launched the entire facial tissue range in new pack designs and sizes, achieving volume market share of 20.7 per cent in a flat market.

Late 2000 saw another exceptional promotion with 15,000 'Wally the Whale' bath toys given away to young families. The Brand Team then produced a children's storybook, 'Totty's Potty', which was distributed to 240,000 households of pre-school children and was a sampling success.

Sorbent Kids has been taken further to become live and interactive on www.sorbent.com.au. Here, parents can obtain advice on the issue of toilet training from child psychologist Dr. John Irvine, as well as being able to become part of an Internet community where toilet training stories can be swapped live. Children can be taken through a live animated version of the "Totty's Potty" toilet training book, as well as being able to play games and obtain a screensaver.

THE PRODUCT

Sorbent holds the highest brand and advertising awareness and consumer loyalty. It is bought by more Australian consumers than any other toilet tissue brand with an annual household penetration of 57 per cent.

'Through-air-dried' technology is the first choice amongst paper makers around the world and continues to give Sorbent world class product quality.

Sorbent facial tissues are two-ply, made to provide a soft gentle tissue, which is kind to your skin. Like the toilet tissue, it is marketed in a variety of pack sizes and pack designs to help accessorise the home. There are also Thicker & Larger, Hypo-allergenic, and Scented facial tissue variants.

RECENT DEVELOPMENTS

Sorbent continues to lead innovation with the 2001 launch of an "Extra Thick" range. This embossed, extra thick, air dried product is a world first. The range includes two specialty products with uniquely



scented Rose and Lavender cores. New "Extra Thick Sorbent" will give consumers a more compelling reason to trade up to the premium segment.

The Rose, Lavender and Designs extra thick product are tastefully decorated with floral and marine / renaissance prints to enhance bathroom decor. The range is backed by the new 'Escape' television commercial.

PROMOTION

Three major factors have contributed to the long-term success of Sorbent: commitment to unique product quality and continuous innovation, high profile advertising and

promotional campaigns and maintaining the correct pricing relativities between Sorbent and its major competitors.

Few television commercials have been as popular in Australia as Sorbent's. The combination of people in every day situations, humour and the Sorbent jingle have proven to be both entertaining and the key to maintaining awareness of and loyalty to Sorbent as the highest in the category.



Successful Sorbent campaigns include the "Paperboy" commercial featuring Merv Hughes and Ita Buttrose and the "Thank Goodness for Sorbent" campaign featuring Matthew Krok from Hey Dad and Magda Szubanski.

Strong in-store promotion, complementing the television campaigns, has added significantly to Sorbent's success. It ensures seamless synergy between the product, advertising, packaging and promotion. Sorbent has always benefited from high profile promotions and sponsorships.

In 1996 Sorbent won the only sponsorship rights worldwide to the internationally successful film

"Babe". This humorous Australian film, featuring Magda Szubanski, perfectly reflects the Sorbent core values. In 1997 Sorbent brought the "Wizard of Oz on Ice" to families around Australia, and was the major sponsor of "Circus Oz" for 4 years. In 1997, Sorbent won the Australian Financial Review Sponsorship award for both the best Arts sponsorship and the best overall sponsorship.

In 2001 Sorbent launched 'Australia's Favourite' Sorbent \$1,000,000 Prize. The results were outstanding with more than half a million packs redeemed at world class redemption rates.



BRAND VALUES

Most consumers have grown up with this distinctly Australian family brand. While it is a premium product, Sorbent's success is based on its egalitarian positioning.

The pragmatic quality features of Sorbent, softness and thickness are fundamental to the brand values and represented on all packaging, advertising and promotion materials to seamlessly reinforce 'Thick, Soft Sorbent'.

The entertaining Sorbent advertisements combined with unique product quality, have made what was a commodity product into a trusted and endearing brand, an attitude perhaps best conveyed by the advertising message, 'The gentlest way to start the day'.

THINGS YOU DIDN'T KNOW ABOUT SORBENT

- Sorbent is derived from the word 'absorbent'. The Sorbent brand when launched in 1952 was the first toilet tissue that was truly absorbent.
- The Sorbent jingle used in the first Sorbent television commercial in 1956 has been referred to as the true Australian national anthem. "What's the gentlest tissue, in the bathroom you can issue. Why, it's SORBENT, SORBENT safest for sure. SORBENT's economical; its sales are astronomical. Buy SORBENT at your favourite store."
- According to AC Nielsen's Top 100 Brands survey, Sorbent is the highest selling household product, and in 2000 Sorbent retail sales were in excess of \$157million.
- On average around 1.2 million rolls of Sorbent are sold in Australia every two days, enough tissue to go right around the world!

