

APPENDIX 4

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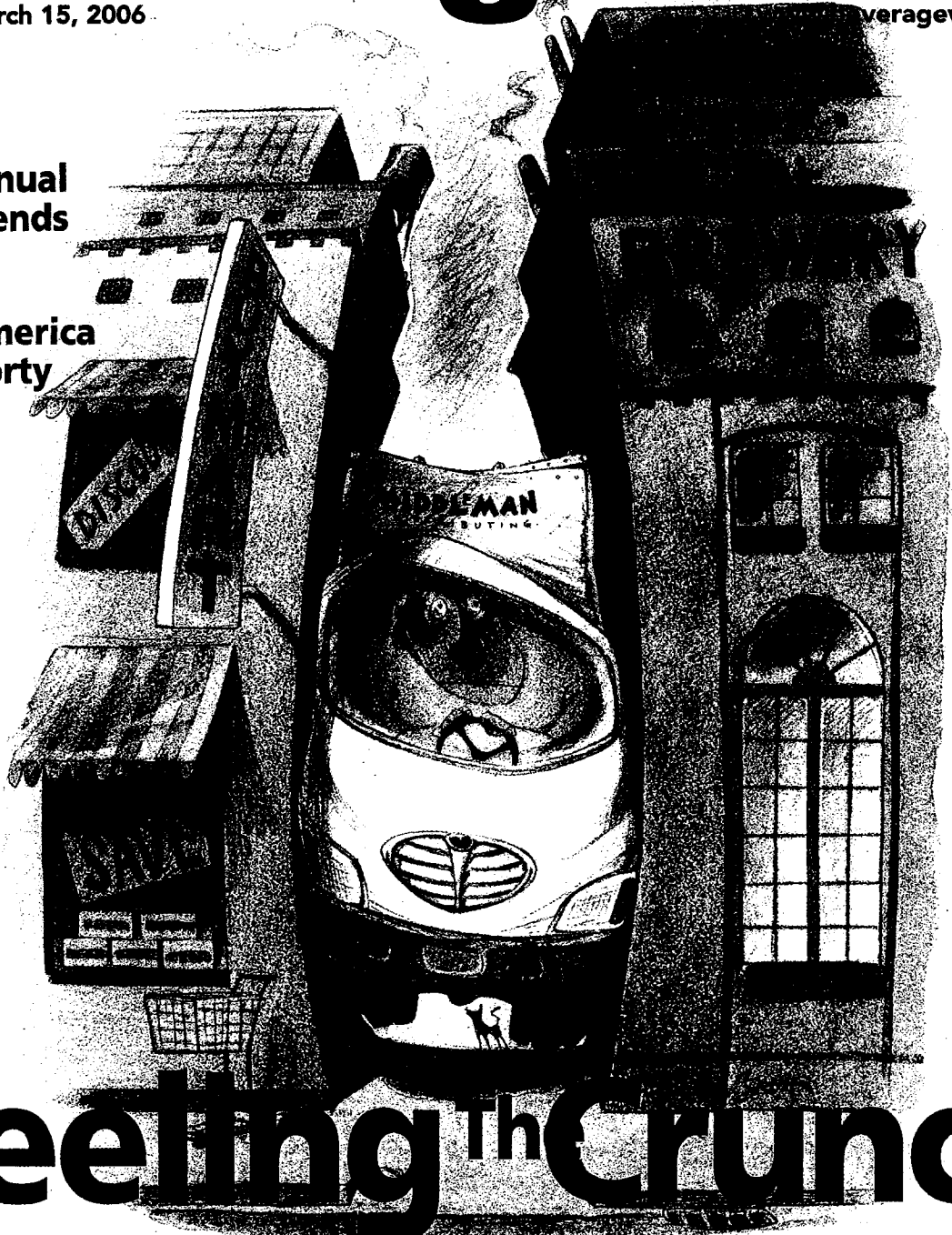
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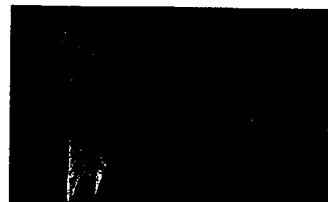


Feeling ^{The} Crunch

Wholesalers fight
for survival in
an increasingly
lopsided market.

PEOPLE

George Detloff has been named president and CEO of **SKF USA, Inc.** of Norristown, PA, USA... **Wild Flavors, Inc.** (Erlanger, KY, USA) has appointed *Kevin Gavin* as the company's chief operating officer... **Robertet Flavors, Inc.** (Piscataway, NJ, USA) has announced the following staff addition and promotions: *Jared Hamill* has been appointed associate food technologist in the flavors application laboratory; *Leslie Evans* has been promoted to senior key accounts executive; *Diana Furey* has been promoted to manager, flavor applications and *Edna Alston Scott* has been promoted to food technologist... Eatontown, NJ, USA-based **Novapak Corporation** has named *Ken Murtagh* regional sales manager... **Mallory Alexander International** (Memphis, TN, USA) has announced the following staff changes: *Paul Liddell* has been promoted to vice president of warehouse operations and *Carey Treadwell* has been appointed to the position of global business development director.

SKF's
DetloffNovapak's
MurtaghUPCOMING
EVENTS

- Beer wholesalers have a chance to network with lawmakers during the **National Beer Wholesalers Association's Joint Legislative Conference** at the Hyatt Regency Capitol Hill May 8 to 10. www.nbwa.org

- **The Beverage Forum**, the only global all-beverage executive conference, will re-convene at New York's Waldorf-Astoria this May 24 and 25. www.beverageforum.com

NEW PRODUCTS
SHRINK-WRAPPER

PolyPack International (Tampa Bay, FL, USA) reports that it has introduced the world's fastest non-stop print registered shrink-wrapper from Baumer. The machine is designed to handle products with shrink film and also with flat cardboard and/or tray, carton case packers wrap around style. The new shrink wrapper is designed to operate non-stop, even during film reel changes, at speeds up to 200 bundles per minute on a single row. PolyPack says that the machine offers a fast return on investment due to a 5-percent increase in production time and a 15-percent savings on film usage. The machines also can help to lower labor costs thanks to an innovative reel changeover that does not require operator intervention and operator-friendly touch screen controls. www.polypack.com

CLASSIFIEDS

NOTICE OF INTENTION TO SEEK TERMINATION OF
CARBON DIOXIDE FINAL DECREES

PLEASE TAKE NOTICE that Praxair, Inc. and The BOC Group, Inc., as successors in interest to certain of the original defendants in the Final Decrees entered in United States v. Liquid Carbonic Corp., 1952 Trade Cas. (CCH) ¶ 67,248 (E.D.N.Y. 1952), as amended (the "1952 Decree"), and United States v. General Dynamics Corp., 1963 Trade Cas. (CCH) ¶¶ 70,890-70,892, 70,919 (E.D.N.Y. 1963) (the "1963 Decree," and together with the 1952 Decree, the "Decrees"), as well as American Air Liquide Holdings, Inc., on behalf of certain of its subsidiary companies that conduct operations subject to the 1963 Decree, intend to petition the United States District Court for the Eastern District of New York to enter an Order terminating the Decrees.

On June 24, 1948, and August 22, 1961, the United States filed separate complaints alleging that certain defendants had conspired to restrain interstate trade and commerce in the manufacture, distribution and sale of carbon dioxide, and had monopolized and attempted to monopolize such trade. The original defendants settled the charges by accepting entry of the Decrees. The Decrees perpetually enjoin the defendants from continuing the conspiracy or entering into similar conspiracies, and prohibit the defendants from engaging in certain alleged exclusionary practices. In particular, Praxair, BOC and Air Liquide are prohibited from using requirements contracts for the sale of bulk liquid or cylinder carbon dioxide in excess of one year and are also prohibited from tying the supply of carbon dioxide to the rental of storage tanks, and vice versa. In addition, BOC and Praxair are prohibited from selling each other carbon dioxide except in emergency circumstances.

Before determining whether it should join a motion to terminate the Decrees, the Antitrust Division of the U.S. Department of Justice invites interested persons to provide the Division with any information or comments relevant to the proposed termination. Interested persons may submit information or comments to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Suite 3000, Washington, DC 20530 (202/307-0924). Comments should be submitted promptly, but no later than April 15, 2006.

March 2006

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UNITED STATES/AMERICAS

Food Labeling Bill Seeks to Eliminate Conflicting State Laws

The House debated a sweeping bill last week to streamline requirements for regulating food product labeling, which opponents say would undercut state laws including California's Proposition 65. Prop. 65 requires companies to list product ingredients considered by California to cause cancer or reproductive harm. The National Uniformity for Food Act would override state laws for food warning labels, however. It would also require state governments to petition the federal government to reinstate consumer protection laws that the state would like to retain. It is sponsored by Representatives Mike Rogers (R., MI) and Edolphus Towns (D., NY).

The bill has drawn strong opposition from state governments and consumer advocacy groups. Food manufacturing and other indus-

try groups say the bill would save consumers money by eliminating the need for manufacturers to comply with a series of varying state requirements. "Under the current system, states may impose different, and sometimes contradictory, regulations. This imposes unnecessary complexity and cost on food processors and manufacturers throughout the U.S.," says the Council for Citizens Against Government Waste (Washington), which says it is a watchdog group for taxpayers. "These costs are most often passed on to consumers," the group says.

State regulators strongly oppose the bill, however. "This bill undermines proven consumer protection programs," says Marion Aller, president of the Association of Food and Drug Officials (Washington), which represents state regulators. "The preemption embodied in

this legislation is broad, vague, and sweeping," Aller says.

Environmental and consumer groups say state laws tend to be more protective of consumers than federal laws. "Under the guise of national uniformity, this bill would eliminate critical state laws that protect consumer health while leaving in place an inadequate federal system based on the lowest common denominator of protection," says the Consumers Union (Washington). The bill would undermine the ability of states to take swift action to respond to new threats to food safety, it says.

Chemical industry groups have long opposed California's Prop. 65, saying it is unnecessary and overstates ingredient risks. California's labeling requirements also pose a logistical quandary for manufacturers who distribute their products nationwide. Most companies say it is impractical to label products separately for the California market, and either label all products, abandon the California market, or reformulate their products. —KARA SISSELL

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States Oppose POPs Treaty Bill

Attorneys General (AGs) from 11 states have asked Congress to oppose legislation to implement the ban on 12 persistent organic pollutants (POPs) by the Stockholm Convention. In a letter to the U.S. House Committee on Energy and Commerce, AGs say the legislation, introduced by Chairman Paul Gillmor (R; OH), would "limit states' ability to protect against extremely toxic chemicals." The states concerned about the treaty include California, Connecticut, Delaware, Georgia, and Illinois. ACC says it supports Gillmor's bill.

The POPs treaty was signed in 2001 to restrict or ban the production, use, and release of 12 chemicals, including DDT, polychlorinated biphenyls, and dioxins. The AGs say they agree with the intent of the treaty but not with the implementation plan laid out in Gillmor's bill. The bill contains "broad preemption language that would undermine states' own efforts to protect their citizens from the dangers posed by persistent organic pollutants," says Massachusetts AG Tom Reilly (D.).

The letter also points out concerns about how new chemicals are added to the POPs treaty. "The bill provides no mechanism to challenge an EPA decision not to regulate a chemical that the international community has added to POPs treaty," the AGs say. —MICHELLE BRYNER

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business & finance news

ASIA/PACIFIC

Japanese Firms Post Big Earnings Hikes

Most of Japan's leading companies reported big increases in sales and profits for the first three quarters of their fiscal year, ended December 31, 2005 (table). They cite a recovery in the Japanese economy due to higher consumer spending, as well as strong exports to China and the U.S. Earnings were undermined by stubbornly high oil and naphtha prices, however, companies say.

Costly oil and naphtha had the greatest impact on Japanese petrochemical businesses. Petrochemical profits most likely peaked in the October-December quarter after a run-up that began in mid-2004, according to Joel Scheiman, an analyst at Macquarie Research (Tokyo). Petrochemical price increases have generally run out of steam, Scheiman says. Electronic materials are booming, however, he says.

Mitsubishi Chemical Holdings, created last October as a holding company for Mitsubishi

Chemical and Mitsubishi Pharma, says strong demand for its functional chemicals from the DVD and flat panel display sectors offset the effect on petrochemicals of high naphtha costs. "The business environment for the group continues to be generally sound," Mitsubishi says. "Business prospects, however, still need to be watched as concerns such as a further hike in the naphtha price remain."

Asahi Kasei reported flat net profits of ¥46.6 billion (\$393 million), on sales up 8%, to ¥1.09 trillion. Operating profits, excluding exceptional items, increased 4%, to ¥78.4 billion, Asahi says.

Mitsui Chemicals says its net profits increased

THE PEAK OF THE CYCLE?*

(in billions of yen)	SALES	%CHANGE	EARNINGS	%CHANGE
Mitsubishi Chemical	¥1,753.4	9%	¥72.5	49%
Sumitomo Chemical	1,097.8	16	71.3	61
Asahi Kasei	1,090.7	8	46.6	0
Mitsui Chemicals	1,072.7	19	28.4	NM
Toray Industries	1,026.5	13	28.0	5
Shin-Etsu Chemical	815.9	14	84.0	20
Dainippon Ink	757.1	1	2.1	-71
Tosoh	470.1	11	22.8	0
Ube Industries	433.5	4	12.8	98
Mitsubishi Gas	321.5	10	25.7	34
Kuraray	274.9	5	14.5	6
Mitsubishi Rayon	252.2	5	19.1	71
Daicel Chemical	244.7	8	12.2	37
Nippon Shokubai	169.8	19	13.4	17

*Results for the nine months ended December 31, 2005. NM=not meaningful. Source: Company reports.

more than five-fold, to ¥28.4 billion, on sales up 19%, to ¥1.07 trillion, due partly to big exceptional charges in the year-earlier period. Operating profits fell 20%, however, to ¥40.2 billion.

Dainippon Ink and Chemicals (DIC) reported a 71% drop in net profits due to exceptional items, to ¥2.1 billion, on sales up 1%, to ¥757.1 billion. The exceptionals include some asset impairment charges, DIC says. Operating profits increased 5%, to ¥33.9 billion.

Tosoh reported flat net profits of ¥22.8 billion, on sales up 11%, to ¥470.1 billion. Operating profits tumbled 12%, to ¥35.1 billion. "Naphtha and related feedstock prices were driven higher, and polyvinyl chloride resin markets softened due to a temporary decrease in orders from China," Tosoh says.

Sumitomo Chemical posted a 61% increase in net profits, boosted by an exceptional gain resulting from the merger last October of Sumitomo Pharmaceuticals and Dainippon Pharmaceutical. Sumitomo owns 50.1% of the merged company, Dainippon Sumitomo Pharma. Sumitomo's operating profits increased 15%, to ¥88.4 billion, on sales up 16%, to ¥1.1 trillion.

Toray Industries says its sales and earnings were boosted by strong performances at its fibers and textiles, plastics and chemicals, and carbon fiber composite materials businesses. "Japan enjoyed steady economic recovery buoyed by solid consumer spending thanks to improvements in consumer confidence and strong capital investments by businesses," Toray says.

—IAN YOUNG

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