

Afera's 51st Annual Conference in Florence

Presented by the 'Italy' Region of Afera's Membership represented by Filippo Antonelli, this year's landmark Conference took place in the captivating Tuscan capital of Florence, bringing together the self adhesive tape industry's creative minds and decision-makers for an annual meeting and a special 50-year celebration of a flourishing European tape industry.

Overview

Hosted at the Grand Hotel Baglioni from 1-3 October, 2008's Conference boasted a record number of attendees: **170 delegates and 27 partners from 14 European countries and regions plus the U.S., Canada, U.A.E., Turkey, Israel, India, South Korea and Japan!** The Annual Conference's 3-day working programme focussed on the collaboration of Afera's Members and various committees, and included **9 lectures** covering the latest trends in the tape industry. Together with a golden jubilee celebration, an inspiring social programme, warm weather, 5-star accommodation and delicious Italian cuisine, the 51st Annual Conference was, once again, deemed Afera's most professional and successful Conference to date.

50th Anniversary Celebration

Afera celebrated the 50th anniversary of its establishment at the Conference with a series of special events and creative touches organised by Afera's 50th Anniversary Marketing Committee Subgroup, including Eric Pass of Nitto Europe, Frederic Bodino of Rohm & Haas, Oliver Nickel of FiberMark, Arrigo Righetti of NAR and Afera Secretary-General Astrid Lejeune, all of whom spent two years gearing up for the golden jubilee festivities. Afera's well-received 50th anniversary programme included, firstly, **a live tape art demonstration by artist and author Kerstin Finger and sponsored by Henkel Italy**. Performed during the Welcome Cocktail event on the roof terrace of the Baglioni, Ms. Finger taped Afera's unique anniversary logo on a large panel on a podium, using Henkel (Pattex) tapes and the assistance of Afera's Technical Committee Member Ralf Roenisch of Henkel KGaA and Conference presenter Chris Tyra of SpecialChem S.A. (and formerly of Henkel).

Following Thursday's General Assembly (see page 9), and Afera President Joaquim Puig's opening of the Annual Conference, **Alberto Cattaneo of Henkel (I)** made a short presentation on another **tape art exhibition** at the 3-day event, initiated and constructed by students and **also sponsored by Henkel**. The beautiful pieces of art, entitled "Marilyn Monroe", "The Cutlery", "The Dancer" and "The Bridal Gown", were moved from the Committees' conference room to the main Conference meeting room for all to study and admire. Mr. Cattaneo gave a short introduction on the tape art pieces and presented an edgy video which explained the Project Citytape initiative involving students (www.citytape.it).

Attendees were treated to a special **fireworks display** on the last night of the Conference at the traditional gala dinner held at the Villa Castelletti. The display concluded with a giant, sparkling "Afera 50". And every Conference participant felt especially dapper in his/her **complimentary white polo shirt sporting Afera's anniversary logo**, which was developed to adorn all Conference documentation and accessories.

Finally, to coincide with the Association's yearly event, Afera recently published ***Tape: An Excursion Through the World of Adhesive Tapes, an informative and artistic book honouring the golden anniversary of the flourishing tape industry***. The book features high-quality graphics and texts on the diverse uses of tapes and Afera's history, accomplishments, evolving role in the industry and future strategies. The anniversary publication also contains extended interviews with captains of the self adhesive tape industry, veteran leaders of larger tape producing companies: tesa's Dieter Steinmeyer and Emilio Angeli, Sicad's Ivano Zucchiatti, NAR's Antonio Righetti, ExxonMobil's Lutz Jacob and certoplast's Peter Rambusch. Meant for distribution by Members to industry newcomers, students and end-users, including Membership clientele, the book was unveiled and distributed in limited quantities at the Conference to enthusiastic Afera Members and made available for general

purchase at www.atera.com (special Member rates available). Twenty copies and special thanks went to the 50th Anniversary Gold Sponsors, whose logos feature on the back cover, listed below.

Feedback

All who attended agreed that this year's Conference had a good atmosphere, happy, relaxed participants and quality cuisine. One attendee said it was **Afera's best Conference to date!** The participant survey conducted at the conclusion of the Conference yielded **the most positive responses** for the topics '**adequate time for networking**' and '**excursions**'. Feedback also included a resounding '**YES**' to the question, '**Did this Conference meet your expectations?**'

Although all of the presentations received consistently favourable marks, **the highest-rated paper** was "**Climbing Your Way to Peak Performance**" by Cathy O'Dowd, **the first woman ever to climb Mount Everest from both the north and south sides**, closely followed by "**REACH: Consequences for Tape Manufacturing**" by Paul Verspoor (Sitmae Consultancy, Netherlands), and "**Making the World Smaller: Proposals for a New International Forum and a Wider Geographical Role for Afera**" by Mike Ayres (Advance Tapes, U.K.), Laurent Derolez (Novacel, France) and guest speaker Manish Hira (Hira Industries, U.A.E.). *See reviews of these presentations below.*

Everyone agreed that the setting, the **Grand Hotel Baglioni**, with each room unique in Florentine character and décor, was ideal. The **partner tour programme**, including two walking city tours of Florence, discovering the city's most beautiful monuments, artisan shops and the unique Ferragamo Museum, and followed by glorious local luncheons, was a hit. Thursday's general Conference tour to Siena, hitting the Santa Maria della Scala, Palazzo Piccolomini and the Logge del Papa, the Cathedral, l'Accademia Chigiana, Piazza del Campo and the Torre del Mangia, was very well-received. The groups, each distinguishable in their own sets of scarves, sang the praises of the group leaders, who were very knowledgeable of Siena's history and landmarks. Thursday's tour concluded with cocktails and a delicious Sienese dinner at the Enoteca Italiana.

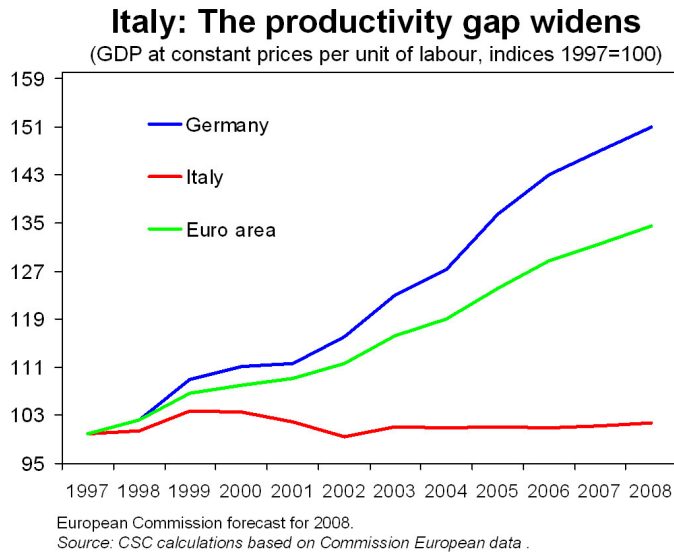
As mentioned above, Friday night's Gala Dinner at the Villa Castelletti was a particular highlight this year. The beautiful medieval villa, located in the hills to the west of Florence, was the venue for Afera's 50th anniversary celebration, which commenced with a traditional medieval performance, cocktails and hors d'oeuvres, and followed with dinner served by waiters in period attire. A series of medieval dances made up the evening's entertainment, which concluded with a grand display of fireworks.

Thursday's Programme

Outlook for the Italian Economy

After the short presentation on Project Citytape by Mr. Cattaneo on 2nd October, **Mr. Pasquale Capretta of Centro Studi Confindustria (I)** delivered the first lecture, reviewing the state of the Italian economy, which Mr. Capretta says, is on the brink of a recession. GDP dropped 0.3% in the second quarter, reflecting in particular the decline in industrial production and private consumption, while exports and investments also weakened.

According to Mr. Capretta, prospects for the rest of the year are rather bleak. Because of its weak productivity growth and loss of competitiveness in world markets, the Italian economy is paying a higher toll than most other European countries to unfavourable international conditions. Business and consumer confidence continue to deteriorate. Hit by the strong Euro, high energy prices, tighter credit conditions and the global slowdown, firms are seeing their profit margins shrink quickly while consumers are increasingly concerned by rising inflation and unemployment.



Centro Studi Confindustria

World Tape Forum & Afera's Strategy of Expansion to the Middle East & India

Following a break, **“Making the World Smaller: Proposals for a New International Forum and a Wider Geographical Role for Afera”** was second on the working programme agenda, a popular lecture presented by **Mike Ayres of Advance Tapes (U.K.)**, **Laurent Derolez of Novacel (F)** and **guest speaker Manish Hira of Hira Industries (U.A.E.)**. Afera's latest strategic endeavours are covered in more detail in the press release published on pages 12-14.

Martec's European Tape Survey 2007

The third lecture of the day was **“2007 PSA Tape Market in Europe – A State of the Industry”**, presented by **Mrs. Elke Fanni of the Martec Group (Germany)**. In 2008, Afera commissioned the Martec Group, a global technical market research and consulting firm for strategic, market-based research and consulting services, to conduct a follow-up low-cost, high-level analysis of the 2007 PSA tape industry of Western Europe. Again Martec conducted 50 interviews with tape manufacturers, adhesive suppliers, substrate suppliers, distributors, associations, etc. across Europe, with the primary objective of generating the production size (volume and value) by key tape segment, substrate and adhesive tape. Finally, Afera's Membership (Active, Associated and Affiliated) was invited to participate in an online survey using a structured questionnaire to cross-check all the data gathered.

In the former report, 2006 Western European PSA tape production was estimated at approximately 5,900 million m², growing annually at ~2.8%. Notwithstanding different data analysed, the Martec and ExxonMobil studies showed similar production estimates for the 2006 European PSA tapes market (i.e. a 500 million m² difference). Within the 2007 study, 2007 European PSA tape production was estimated at approximately 6,500 million m², growing annually at ~3.5%. Industrial tape, with ~4,900 million m², continues to dominate European tape production with a share of 76%. Packaging tape, with ~4,214 million m², accounts for 86% of the total PSA industrial tape production, followed by masking and cloth tapes. Virtually all respondents agreed on the dominant substrate for PSA tapes: film, with ~4,225 million m². Solvent-based adhesives with a market share of 45% (~2,925 million m²) represent the dominant adhesive technology for PSA tape production.

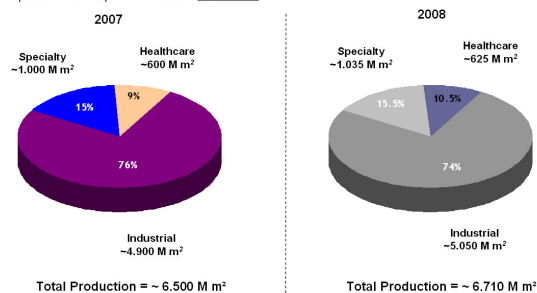
Martec posed a few qualitative questions: What environmental issues are currently affecting the European PSA tape industry? Most respondents mentioned concerns about increasing production costs, loss of competitiveness, etc. as a result of environmental regulations and trends. What are the current trends regarding value-added generation? Where can value-added be generated? Key aspects mentioned included tapes with improved performance, additional functionalities, environmental

friendliness, customisation, etc. What do you think about globalisation and its impact on European PSA tape supply and demand? Globalisation represents both a threat and an opportunity for the European PSA tape industry; a threat being the cheaper imports from low-cost producing countries; an opportunity being the challenge for European producers to become innovative, to supply high-quality products.

Ms. Fanni emphasised that the results of the online cross-checking survey were in conformity with the interviews conducted across the European value chain. Interviews conducted showed an estimated production size of approximately 6,500 million m², whereas the online survey reported a production size between 5,500 million m² and 7,000 million m². As for industrial tape production, the interviews reflected a volume of approximately 4,900 million m², whereas the online survey showed a volume of more than 4,000 million m². Healthcare tapes were estimated at approximately 600 million m², whereas the online survey reported a volume of 500-999 million m². The usage of films for PSA tape production amounted to about 4,225 million m², whereas participants of the online survey estimated the volume at more than 4,000 million m². Lastly, solvent-based adhesives were estimated at ~2,925 million m² via primary research and 2,000-3,999 million m² via the online survey. Ms. Fanni concluded that the online survey generally helped reinforce Martec's confidence in the validity of the 2007 market data gathered through interviews. A full report of Martec's findings was made available to attendees for 150 Euros and can still be obtained through Afera's Secretariat on +31 (0)70 312 39 16.

The 2007 European PSA tape production was estimated at approx. 6.500 M m² growing annually at ~3.5%.

European PSA Tape Production VOLUME:



Interactive Session with Captains of Industry: Outlook for the Tape Industry 2010

Next, to complete the business portion of the day, **Eric Pass, Afera's Marketing Chairman and Director of Corporate Planning & Communications at Nitto Europe N.V. (B)** moderated an hour-long, first-time **'Interactive Session with Captains of Industry: Outlook for the Tape Industry 2010.'** This was a very successful open, interactive debate among five 'captains' of the self adhesive tape industry and the other 165 attendees of the Conference. For a review of the ideas put forward in the debate, refer to Afera's latest **press release** titled **"Experts: Bright, Competitive, Global Future for Tape Industry, Afera Holds Tape Industry Experts Debate at 50th Anniversary Conference in Florence"** published on page 12-14.

Friday's Programme

Renaissance of Hierarchy in Organisations

The first presentation of the morning was delivered by **Karsten Trebesch of Trebesch & Asociados GmbH (Germany)**, covering **"Renaissance of Hierarchy in Organisations"**. Mr. Trebesch has experienced highly contradictory views regarding the meaning and consequences of hierarchal leadership in organisations. In the late seventies, hierarchy was blamed for being inherently

dysfunctional, and nowadays it is accepted as essential for the effective leadership of organisations. The presenter has always been involved in this debate as manager, consultant and co-editor of a management journal.

Mr. Trebesch defined hierarchical organisations as those containing a system of mostly vertical positions as a form of functional co-ordination (but today also horizontal, according to tasks and responsibilities). They come about as a result of an asymmetrical distribution of power/delegation of authority. The criteria for a position in the pyramid depends upon the type of task required, related to either the combination of information and power or with that of decision-talks and instructions.

Hierarchies are part of human nature; we are confronted with them in relationships between child and parent, student and teacher, employee and boss, patient and doctor—any relationship which is characterised by a non-reciprocal dependency which serves certain functions. The function of hierarchy is connected with authority—decisions made are no longer questioned. And it doesn't necessarily take into consideration knowledge or critique available within the organisation. Followership and acceptance are parts of hierarchy, because it spares communication. Hierarchy is an art when it becomes possible to convert the turbulences and brutalities of society into a stable organization (something which we all need, the presenter stressed).

Mr. Trebesch explained that in the late seventies and eighties, the hierarchical systems were blamed for being dysfunctional to the effectiveness of organisations. This resulted from ideological development and the lack of professional leaders, who derived their authority mainly from power of position rather than power of expertise. Furthermore, the use of power was also regarded as a deadly sin.

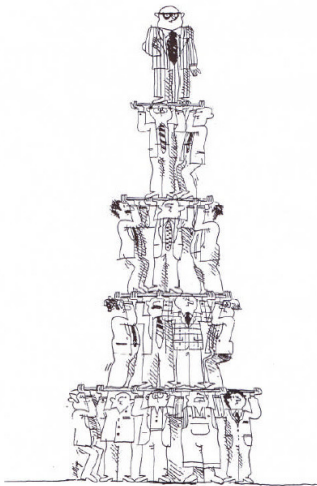
Hierarchies have many dysfunctional as well as functional aspects. The challenge is to control the negative development and consequences in order to make use of the effectiveness and use of hierarchies. According to the presenter, the dysfunctional aspects of hierarchies are: often characterised as the 'holy order of men', lacking consideration of diversity; ironically connected with the Peter Principle, the assembly of managers into positions without fulfilling the organisation's requirement of certain skills; based on dominance and submission and consequently lose innovative power; and lastly, fragile systems because they often lack flexibility in decision-making.

The continuing challenge for hierarchies is to optimise their effective use. We must learn to develop more loosely coupled hierarchies to provide suppleness in order to adapt to the challenges of uncertainty and environmental surprises. And we must persist in modifying our hierarchical systems with a combination of more self-organisation and flexibility.

Nowadays hierarchy, along with its derived power, is regarded as a meaningful tool with which to cope with the challenges of increasing complexity and uncertainty, speed of processes and change management. Skilful leaders provide orientation, lack certainty, assume responsibility in change management and decide which developments in the environment should be integrated into their organisations. They provide achievements which are very much needed by the organisation.

Mr. Trebesch emphasised that her presentation was neither a defence of hierarchies nor another attack on them. It serves as a reality check to re-consider the useful functions of hierarchies, which are of organisational and psychological value.

How my environment does see me



REACH: Consequences for Tape Manufacturing

The second lecture of the day was the second highest-rated of the Conference, the essential discussion of **“REACH: Consequences for Tape Manufacturing”**, presented by returning lecturer **Paul Verspoor of Sitmae Consultancy B.V. (Netherlands)**. Under the complex, expensive, yet revolutionary, European Chemicals Policy, the burden of proof for demonstrating the safe use of existing chemicals has been transferred from the EU Member States to industry. For a full update on REACH, including the information covered in Mr. Verspoor’s presentation, turn to “REACH Report” on page 15.

Accelerated Growth Through e-Marketing

How a new way of marketing called ‘e-marketing’ can become a powerful tool to chemical, adhesive and tape companies was the subject of **SpecialChem’s Christopher J. Tyra’s (U.S.A.)** lecture. According to Mr. Tyra, the PSA industry, like most manufacturing and chemical industries, is facing many concerns that prevent substantial growth and development. These include raw material cost increases and shortages, major technology shifts, company consolidations, reduction of workforce driven by cost-out strategies earnings, low sales effectiveness on new business due to current business distractions, making do with smaller resources coupled with fragmented markets and often a long lead time to market of new products.

Within this framework of challenges, each company has its own growth hurdles to overcome. Mr. Tyra named and discussed the following three growth hurdles: 1) Having the right **ACCESS**, in terms of markets, different stages of the value chain, data availability and reliability and understanding of market drivers (locally and globally); 2) implementing the right **PROCESSES**, incorporating innovation, business development and marketing; and 3) optimising the right **RESOURCES**, in terms of sales, new business development, people/budgets and R&D. As companies strive for innovation and development of new applications for their new and existing products, they are faced with an ever-growing economy that requires education, brand awareness, global connectivity and the right value proposition.

Within the PSA markets, there are specific applications and, furthermore, a somewhat fragmented select group of customers into which many have not yet been able to tap. Many traditional marketing techniques such as print media, trade shows and other methods are falling short of generating the true, qualified inroads into fragmented global markets which many companies are set upon gaining at least a small percentage of share.

With the use of the internet and the concept of networking, web communities and interactive marketing bring a new, non-traditional way of creating, accelerating and expanding both new and current products into many market paths. This new way of marketing called 'e-marketing' can become a powerful tool to chemical, adhesive and tape companies looking to not only expand their sales, but to do it quickly and with qualified, hand-selected leads. Time is money. The push/pull effect of e-marketing can not only help a company refine value proposition, but can help arm a marketer with testing new ideas and detecting market trends in advance of a costly R&D effort.

According to Mr. Tyra, e-marketing facilitates 'access' by bringing about understanding of market needs through direct feedback through digital communities (online surveys), thereby defining/validating a company's value proposition. In terms of branding and awareness, e-marketing allows for instant reach of global adhesives user communities through online presence of the company/product. In terms of implementing the right 'processes', e-marketing facilitates the understanding of varied market needs, communication of the value proposition and the commencement of selling projects. The market is educated using online tools through which key solution attributes can be communicated to the targeted audience. E-marketing allows for optimising the right 'resources'. For example, an interactive marketing lead is a profiled member requesting something about a technology after being educated and the qualification information validating the potential this person has.

The presenter concluded his lecture by putting the following questions to the audience: What are the major growth hurdles for your company? What is preventing you from jumping those hurdles? Are the conventional methods now in use working for you? Is interactive marketing a possible solution to achieve growth objectives and put the hurdles behind you? With e-marketing as a method for promoting your product or brand, speed becomes the core asset along with reduced risk for many medium- and large global adhesive and tape manufacturers to help quickly overcome the hurdles all of these companies face now and in the future.



Air Quality and Global Warming

Following a break, "The Link Between Air Quality and Global Warming" was discussed by returning presenter **Dorothee Arns, European Solvents Industry Group Secretary General (B)**. Ms. Arns explained that the ESIG's mission is to support the sustainable and responsible use of oxygenated and hydrocarbon solvents through dialogue, information sharing and solutions that address health, safety and environmental aspects. The ESIG promotes 'best practises' across the European industry, advocating and communicating on issues effecting producers and implementing responsible care and product stewardship. The European solvents industry is committed to meeting the highest safety standards and environmental protection. It spends over €20 million per year on research and

development. The solvent producing industry is composed of both SMEs as well as multinationals. Downstream users generally tend to be SMEs and micro-SMEs.

The ESIG estimates that the solvents industry, consisting of over 30 solvent-producing companies, employs over 10,000 people throughout Europe. Solvents manufacturers across Europe have an estimated combined turnover of about € 2.5-3 billion, and annual sold volumes total approximately 5 million tonnes. Over half a million European companies, ranging from pharmaceutical to agrochemical and paint producers, are solvent users. These companies have a combined turnover of € 200 billion and employ more than 10 million people.

The European Solvents VOC Co-ordination Group (ES VOC-CG) is a cross-industry group of producers, downstream users (trade associations) and national chemical associations, incorporating over 25 solvents user groups. ES VOC-CG focuses on issues affecting the producers and the users of solvents. It develops joint positions on any piece of legislation related to VOC (Volatile Organic Compound) emissions and works on matters such as occupational diseases, classification, storage, waste management and transport.

The mission of the ESIG and ES VOC-CG is to facilitate the implementation of existing legislation aimed at reducing VOC emissions to air and in the workplace; develop joint positions on directives impacting the use of solvents; facilitate the collection of data to support scientific programmes, studies and surveys led by European authorities; facilitate the communication between European authorities and downstream users; and promote best practices of handling solvents throughout the supply chain and in the workplace.

The main air quality problems in Europe involve ozone and particles (PM). Ground level ozone, nitrogen oxide (NO_x), is formed when NO_x (nitrogen oxide and nitrogen dioxide) and VOCs react with sunlight and heat. This largely stems from road transport (50%), power stations and industrial combustion. VOCs make up one of the greenhouse gases responsible for the global warming problem. They impact health by causing inflammation of the lung passages and subsequently, breathing difficulties; and have transboundary effects. Ozone has already been tackled by reduction of both VOCs and NO_x under EU regulations NECD and SED, and the main challenge is intercontinental pollution mainly from Asia which continues to increase background Ozone levels.

Created by the Dutch TNO and the French INERIS in 2006, two independent models projecting ozone levels following certain VOC regulatory measures showed 1) any additional VOC reduction from solvents within the boundaries of technical feasibility will deliver an ozone reduction of <1%, expressed as µg/m³! And 2) even removing all solvent emissions from industrial applications would have an average reducing effect on ground ozone level of only 5%!

Particulate matters (PMs) emerge from oxidation processes in the atmosphere. There are two types: primary PM, from combustion, dust and spray; and secondary PM, such as secondary organic aerosols (SOA), formed by the oxidation of VOCs. The related health impact is thought to be that the smaller the particles, the more damage to the lung, the cause of more concern than ozone-related health risks.

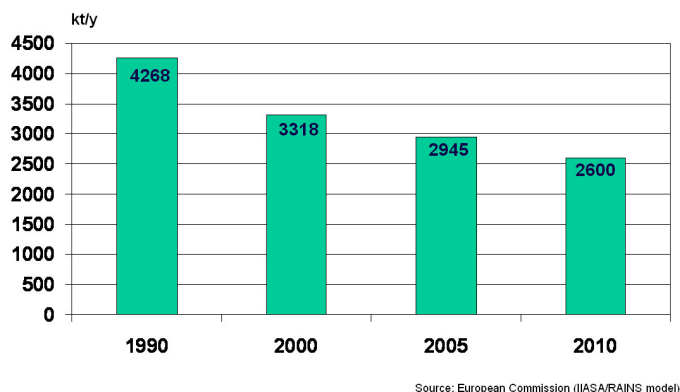
Global warming is the effect of the earth receiving more radiation from the sun than it can re-radiate from its surface. Some radiation given off by the Earth is trapped by gases in the air and there is a warming effect, the greenhouse effect. The gases absorbing and re-emitting radiation from the Earth are named greenhouse gases: carbon dioxide is formed from combustion processes; methane has natural gas leakage, agriculture and landfill as main sources; tropospheric ozone is formed by photochemical reaction of nitrogen oxides and VOCs and has already been the subject of legislation world-wide; nitrous oxide is due to biomass burning, nitrogen fertilisers and sewage.

Ms. Arns concluded that EU governments have made substantial efforts to improve air quality, with ozone being their primary regulatory target in the past. Now global warming, and greenhouse gases,

particularly carbon dioxide, are the focus. A reduction of ozone and primary particles will improve air quality and reduce global warming. Secondary inorganic sulphates and nitrates are in decline, something which is beneficial to air quality but detrimental to global warming. Secondary organic aerosols are beneficial to the reduction of global warming but detrimental to air quality. The key to success is to achieve equilibrium!

Air Quality – VOC Reduction from Solvents in Europe (EU 15)

Solvent users reduced VOC emissions by 1,3 million tonnes between 1990 and 2005 in EU 15. This is a reduction of 31%!



Climbing Your Way to Peak Performance

The last lecture of the Conference was the most popular, entitled “**Climbing Your Way to Peak Performance**”, and was delivered by Cathy O’Dowd, the first woman to climb Mount Everest from both the north and the south sides. Bringing some of her audience literally to tears, Ms. Dowd explained that she has stood on the slopes of the world’s highest mountain four times, reaching its summit twice.

The presenter has been on the Mountain both as the last minute ‘token woman’ team member and as an expedition leader. She has worked in partnership with a wide range of international teams forced to co-operate on popular routes, and has climbed with a team attempting a new route, the only expedition on the entire east face. She has faced the ‘worst storm in the history of Everest’ and the giant avalanches of the Kangshung face, and she has faced warring team members as ego ran rampant. She has experienced both the thrill of the summit and the reality of failure, and has paid the ultimate price with the loss of fellow climbers.

Of course, her experiences made for a brilliant symbolic narrative of business. For her presentation, Ms. Dowd drew on her wide-ranging experience of teams under acute pressure, attempting overwhelming challenges. Her stories touched on themes of importance to anyone trying to get the best out of people.

Sponsors

Afera’s 51st Annual Conference once again provided a platform from which Members could conduct business-to-business marketing by sponsoring the event. Afera had the privilege of organising the event with the support of the following **50th Anniversary Gold Sponsors**: tesa AG, Scapa, 3M, Rohm and Haas, NAR SpA, PolymerLatex GmbH, Coroplast Fritz Müller GmbH, Mondi Packaging Jülich AG, Neenah Gessner GmbH, Certoplast GmbH, Parafix Tapes & Conversions Ltd., Trocellen GmbH, ICAP-SIRA S.p.A., Stokvis Tapes, Henkel, monta Klebebandwerk GmbH.

Slides, Notes & Additional Info.

The proceedings of the Conference programme were distributed to the participants, and the corresponding slide presentations can be found on afera.com (Members-only section). A detailed 51st Annual Conference programme, as well as this article, can also be found at www.afera.com.

Next Year's Annual Conference

Hosted by Afera's 'Eastern Europe' Region of Membership, **Afera's 52nd Annual Conference** is set to take place at the **Sheraton Krakow Hotel in Cracow, Poland** from **7-10 October 2009**.