

PERFORMANCE!

matters!

Colleagues...

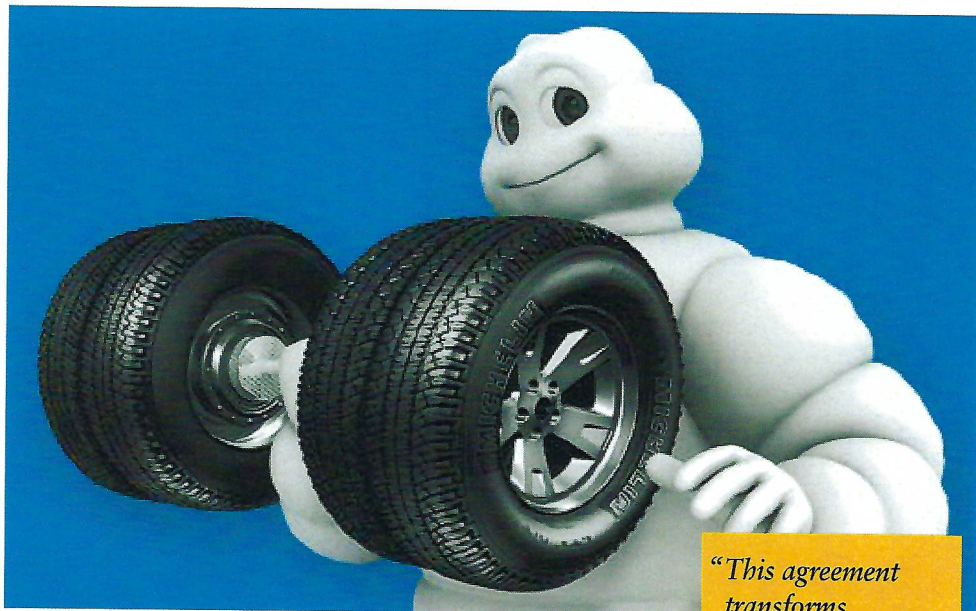
Greetings and welcome to the first issue of *Performance matters!*, a new monthly publication of the Performance Fibers business. It's all about our employees – the name of the publication owing to the fact that the *performance* of every member of the PF team *matters!* Our goal is to keep the worldwide PF employee base informed about what is happening around the business – how we are performing in our plants, with our customers, and in our markets. In this and in future issues, you will hear about exceptional health, safety, and environmental performance, cost savings, productivity best practices, wins and awards with customers, new products and other market activity. Most of all, you will learn about what is happening in other PF locations around the world.

We perform and win as a team, and we want to recognize and share those accomplishments. Our successes help to connect us all, and we need your help to keep everyone informed. So, if you have story suggestions for the pages of *Performance matters!*, send them to me at jay.pomeroy@performancefibers.com. We like pictures, too, so send them in as well! And if you have ideas on how we can improve the publication, we want to hear them.

Thanks, and enjoy the first issue of *Performance matters!*



Jay Pomeroy
Director, Marketing Communications
Editor



A Better Way Forward

Michelin's tagline "A better way forward" sets the expectation for customers of a smoother ride. A better way forward is precisely what Michelin will get out of the three-year contract signed recently with Performance Fibers in a deal led by global account manager Arnaud Closson out of Bascharage, Luxembourg. Thanks to the talents and support of a great many people at Performance Fibers, Michelin can expect a smoother ride of its own.

Besides Arnaud, several people around the PF globe had a hand in making this agreement a reality. In Europe, Marc Sicre, now product general manager, Alex Carnevale, current vice president of global operations, and Caroline Muller in application technology helped land the deal back in the fall of 2008.

Cyril Chang, tire sales director Asia, Albert Shen, sales manager China, and HJ Sha, vice president and managing director for Asia, also played instrumental roles. And Arnaud said credit also is due Rick Black, vice president of marketing and technology, for his overall leadership in helping to drive the closing of the deal.

In North America, John Shields leads the account management team. With an agreement extending at least until the end of 2011, John and his team are supplying Michelin, headquartered in Clermont-Ferrand, France, with upwards of 135,000 tons of HMLS (High-Modulus, Low-Shrinkage) polyester yarn and fabric for the construction of radial tires to

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"This agreement transforms Performance Fibers from just another supplier to a strategic partner of Michelin globally."

~ Helene Paul, Michelin
Vice President of
Global Sourcing



(continued from page one)

be used on passenger cars and vans, light trucks, SUVs and agricultural vehicles.

In North America, our Moncure and Salisbury plants in North Carolina are called upon to produce 1X50 and 792 yarn respectively. Our Winnsboro, South Carolina, and Queretaro, Mexico, plants are supplying fabric. In Europe, 1X50 and 748 yarns are being produced by our plants in Longlaville, France, and Bobingen, Germany. Our Kaiping plant, in the Guangdong province of China, is producing more 1X50.

The plants in North America and Asia take the various types of yarn destined for Michelin through a process whereby it's twisted, woven and dipped in a special coating that allows polyester reinforcement to stick to rubber compounds used in the tires.

After receipt of the treated fabric, Michelin, in a process called "calendering," then applies a first-rubber compound called toping compound. Calendered fabric is ready for use in the production of "green" tires that are cured, tested, stored and shipped to dealers or OE (Original Equipment) suppliers.

Michelin takes the yarn produced by our plants in Europe through its own but a similar fabric production and treatment, calendering and tire production process. Finished tires, marketed by Michelin as tough, proven, long lasting and fuel efficient, are sold throughout North America, Mexico, Eastern and Western Europe, Russia and China.

Arnaud put the Michelin deal in perspective. In terms of competitiveness and longevity in the tire industry, manufacturers like Michelin don't get far down the road without constant innovation and new product introductions.

He said Performance Fibers is more of an ally to Michelin than a supplier, a type of relationship that's necessary to the tire manufacturer and second nature to us.

Arnaud believes the demand for new tire lines and better performing, more cost-effective tires, our need to differentiate ourselves from other Asian suppliers and our desire to move from the commodity to the premium/value-added segment are driving innovation and new product introductions at Performance Fibers. As a partner, rather than supplier, to Michelin, we're fueled by different and greater ambitions.

Michelin's vice president of global sourcing Helene Paul, who's located in France, characterized the relationship similarly. She said of the deal, "This agreement transforms Performance Fibers from just another supplier to a strategic partner of Michelin globally." !

Another "A" for Performance Fibers

Performance Fibers is put through a rigorous supplier assessment every year by Coats Ungarn, an important sewing thread customer in Eastern Europe. We're evaluated against a set of criteria covering product certification and approval under the company's ISO quality assurance program, along with components of service including organizational structure, pricing, order handling, delivery and complaint resolution. Coats has yet to find any room for improvement.

In early May of this year, Margit Szabo, a materials management leader at parent company Coats Hungary Ltd., officially named Performance Fibers an "A-grade supplier," the same designation we've received every 12 months since we were first evaluated. Specifically, Coats considers:

- Does the supplier have an ISO quality assurance system?
- How is the product certified?
- Is the organizational structure solid?
- Does the supplier consistently ship high-quality product?
- Is the pricing fair and competitive?
- Are shipments delivered rapidly and accurately?
- Is the handling of orders flexible?
- Does the supplier handle issues quickly and correctly?

Jost Laumeyer, the Performance Fibers sales and marketing director in Europe, who's closest to the Coats evaluation process, said our operations personnel deserve credit for assuring product quality and that the market team assembled to maintain the customer relationship is doing a stellar job.

Our Bad Hersfeld and Bobingen plants in Germany supply T712 yarn of various titers and T710 yarn, respectively, to be used by Coats in the production of needlework materials. As part of the evaluation process, we've been shown to be in compliance with Coats' Quality Assurance system, which is based on EN ISO 9001:2000, the International Organization for Standardization's quality management system.

ISO 9001:2000 systems require that an organization demonstrates its ability to consistently provide product that meets customer and applicable regulatory requirements and that an organization must aim to enhance customer satisfaction through the effective application of the system, including processes for continual improvement and the assurance of conformity to customer and applicable regulatory requirements.

It is widely acknowledged that proper quality management improves the business, often having a positive effect on investment, market share, sales growth, sales margins, competitive advantage and avoidance of litigation. The family of ISO 9000 guidelines provides a comprehensive model for quality management systems that can make any company competitive. Surveys and studies indicate that the systems increase net profit. It's no wonder, then, that Coats favors its A-grade suppliers. Certainly it's a great achievement for us, but to them it means we're making great things happen. !

A Study in Motion and Control

Parker Hannifin Corporation positions itself as the global leader in motion and control technologies. Motion and control happen to be the two words that best characterize the efforts of the Performance Fibers team in Europe servicing the long-standing Parker Hannifin account.

In constant motion are Rene Soenen in Belgium who handles the sales and technical aspects of the account, Catherine Bonjour and Maud Baillet in Luxemburg who handle customer service, and Maria Heijda at Van Maren, the company's twisting-process counterpart in the Czech Republic, who handles conversion of the yarn supplied to Parker.

Lead times often are short, the number of varying types of yarn construction ordered is high, quantities ordered of each type typically are low, and deliveries to the customer are many. The team is centered on maintaining control over a chaotic, unpredictable order process, made all the more difficult when Parker bought a company called Scanrope, now in its own right an important customer.

Performance Fibers could not meet the challenges of the Parker account without old-fashioned teamwork. During the many years that Rene has been a steward of the Parker account, he and his team have developed a unique customer-service approach that they've perfected through practice and by each member knowing his or her role.

Communication generally is handled via the more immediate telephone call, versus lengthy e-mail messages. The team often has to work quickly to review the entire production and shipping schedule when a short lead time order on a particular product would compromise the expected delivery date of a larger order.

Parker produces thermo-plastic hoses used in the hydraulics of convertible tops and in other automotive and industrial applications. Our plants in Guben, Germany, and Longlaville, France, supply the feeder yarn inventory needed by Van Maren in



Left to right: Andres Siebold, award in hand, standing next to Kornel Barna and Philippe Halloin, general manager of the Polyflex division

the Czech Republic to produce "Constructions," which are compositions of a number of feeder yarn ends taken together, twisted and wound on a paper tube.

Parker's plant at Almelo in The Netherlands then essentially braids Constructions around the hoses for reinforcement. After braiding is completed, the reinforced hoses get a polymer coating to protect the yarn against cutting and abrasion.

The relay-race nature of the system is tried and true, without many new yarn types being introduced over the years so as to minimize the impact on Parker's highly interrelated specifications. What can be most challenging is the customer's inaccurate demand forecasting.

The PF team is a study in the use of motion and control to continually delight Parker. They reflect that speed has been most critical but that talented people combined with the right products and services have served to strengthen the relationship with Parker beyond the point where competitors or even the sour economy could have much effect.

Obviously Parker concurs. In Germany on January 21, Parker awarded Performance

Fibers its prestigious "Quality in Time Award" devoted to the plant in Longlaville, France. Andres Siebold accepted the award on behalf of the entire Performance Fibers team. The awards ceremony capped off a day-long conference at which Parker communicated its expectations and requirements of the 35 suppliers present.

Andres reported that during the conference company representatives welcomed Performance Fibers into the Parker family and expressed their desire to strengthen and grow the relationship. He described the awards ceremony as celebratory in a business-appropriate way. Performance Fibers was one of only four suppliers to receive an award.

Parker had bestowed its "Cornerstone Award" for outstanding customer service and quality in the Americas to Performance Fibers just three months earlier. Parker's supply chain manager out of the Polyflex division in Europe, Kornel Barna, sent a congratulatory e-mail after the ceremony expressing his desire to continue with the discussions, workshops and projects that strengthen our partnership, a partnership, he said, built for mutual success and competitiveness. !

What's Going Down at Winnsboro

Everyone stays quite busy at the Winnsboro, South Carolina, plant. Yet they all take pride in the fact that nothing's happening. There have been no slipups, literally, in a long while. Last year they had absolutely nothing to report to OSHA (the Occupational Safety and Health Administration). It was the first full calendar year without one recordable injury that anyone at the plant can remember, including 28-year veteran Shirley Weed, the plant's safety coordinator. And, the plant is tracking a perfect OSHA record for 2009.

To put this achievement in perspective, in 2000 there were 36 recordable injuries. The following year the number dropped to 32 but then went back up slightly in 2002 to 37. In 2003 there were just seven, and the number then continued to decline. First-aid cases also have consistently declined to just two in 2009. Especially if you live with young children, you'll see more band-aid action at home than at Winnsboro.

South Carolina's Department of Labor gets busy when nothing happens. All sorts of certificates and plaques get issued, and parties ensue. Last month the plant celebrated the official recognition it received for having zero recordable injuries in 2008, which is 75 percent less than the state's average incident rate for 2007, and a 40-percent reduction in injury and illness rates between 2007 and 2008.

Getting more due notice and accolades internally than the decreases in OSHA recordables, near misses, first-aids, fire and environmental incidences are the increases they've begun recording in positive behaviors, the number of hazards reported and corrected, and level of employee participation in the safety program.

Shirley said she's extremely proud that all employees actively participate in the program, working in "TEAMS" – department and crew – that share the day-to-day safety responsibilities. She said from department and plant audits to behavior observations to participating in safety training, employees truly drive the program.



Winnsboro safety "TEAM" members, minus Shirley Weed who acted as photographer

Safety committees meet monthly to establish safety goals, measure safety activities and perform hazard assessments. Additionally, each department and crew performs one safety audit of a different focus area per month. Results are compiled and posted on department safety boards, and deficiencies are entered into the plant's SAP system, reviewed monthly and tracked to a timely closure.

The system is more or less just a back-up measure, though. Employees have several ways to anonymously report unsafe conditions or behaviors, plus they have the authority to intervene to correct them. Everyone participates in employee-led awareness training each month. Everyone is intent on identifying hazards. And everyone is focused on closing out deficiencies as quickly as possible.

Negative behaviors help to determine the monthly safety awareness topics, but really everything in the program is geared around reinforcing positive behaviors and actions. They all, including those in management, complete two observations per month and are required to acknowledge at least one

person they've observed doing something right or reinforcing positive behavior.

Those in management are extremely supportive, but the buy-in of employees and supervisors has been critical. The bottom-up leadership style, key to creating a culture of shared beliefs, practices and attitudes, is what Shirley credits for the program's success. Shirley believes the plant operates more efficiently and maintains a stable workforce as a direct result.

The goal of everyone in the safety program at Winnsboro is continuous improvement. To achieve this goal, they continually measure their performance, communicate results and celebrate their successes. They enhance the program and associated systems every year, seeking new and better ways to solicit employee involvement. Winnsboro's 2009 safety slogan is: Safety is a continuous journey. Walk the Walk "SAFELY" and Talk the Talk "SAFETY." It's more than a catchy slogan. The consistent decline in recordable injuries and first-aid cases shows it's a unifying common purpose. !

Double the Performance

Since the launch two months ago of the new product-focused, user-friendly Performance Fibers Web site (www.performancefibers.com), the numbers reported by Information Technology add up to the fact that the new site is vastly outperforming the old one.

We've almost doubled the number of "hits" or visitors the site receives. Where we had been averaging 7,000 hits per day, now we're averaging approximately 12,000. Our new site is getting as many hits as the number of calories that U.S. swimming phenom Michael Phelps consumes each day of training.



Now we have a tool to engage visitors and foster two-way conversation about our products."

Jay Pomeroy, director of marketing communications, acted as project manager during the development of the new site. He provided site mapping and conceived of the redesign. Don Brown, commercial technology leader, and John Schwieghardt, field market developer, share credit for gathering and standardizing product information.

"Thanks to John, Jay, Don and others behind the scenes who contributed their talents, visitors are treated to a sophistication of design, functionality, categorization and content," Rick said. "We're offering compelling information that's presented logically and in a visually interesting way, and we'll continue to make improvements that get people talking with us and about us."

Since go-live on March 10, the new Performance Fibers Web site has had 29 "mega-hit" days when there have been at least 10,000 hits.

For instance, to reach a global audience soon we expect to have the content translated into German, French, Spanish and Chinese. But all along it seems visitors have been primed for the change. They've been downloading our Material Safety Data Sheets and 15-odd Product

Guides, and they've been regularly accessing our company history, latest news, profiles of the leadership team and more.

That's a staggering number of calories. And that's a staggering number of hits by comparison. Since go-live on March 10, we've had 29 "mega-hit" days when there have been at least 10,000 hits. We recorded only 30 days in all of 2008 when the hit count reached 10,000, most of those during the time of the Invista acquisition when we experienced an unusually high number of inquiries.

Partly owing to the increase is that for the first time we have a comprehensive repository of product information categorized by industry, which has improved ease of use. Rick Black, vice president of marketing and technology, provided the vision that took the site in a much-needed new direction towards a remarkably customer-centric online experience.

"You can teach a new company old tricks," said Rick Black when asked about the shift in direction. "We're a new company as of 2004, albeit one with a long, proud heritage. Every day we draw on the decades of expertise and technical proficiency we've accrued through our legacy business and acquisitions of the past four years.

"We've learned to use new advancements to perfect the old way of doing business. People want to do business with people, and having a Web site that functions as a 24/7 salesperson is critical.

Three acquisitions and many new product introductions later, now we have one place where potential and existing customers can quickly find everything they need to make a buying decision. Making it easier for customers to buy from us is the number one reason for, and number one benefit of, a better virtual performance. !

SLUB

Could we get people to eat Polyester?
We would sell more...



Fiber IS
supposed
to be good
for you...

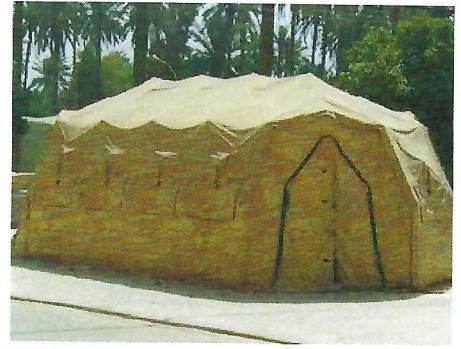




Our products are manufactured and used all over the world. Every issue, *Performance matters!* will feature our products in interesting end-use applications to keep you informed about What and Where!

Salisbury, North Carolina, USA

Our 220, 500, 840 and 1000 denier 787 product manufactured in Salisbury is used by DHS Systems of Orangeburg, NY, in the manufacture of soft-walled shelter system applications known as DRASH (Deployable Rapid Assembly Shelter). These systems serve medical, military, government and civilian needs and are a quick erect/strike shelter system that integrates shelter, mobility, lighting, heating, cooling and power distribution in one flexible package.



Longlaville, France

Our 1W83 product manufactured in Longlaville was used by BEXCO in off-shore mooring lines for its Black Dauphin Platform Project. BEXCO, located about 20 miles away from Antwerp, manufactures ropes for marine and offshore applications and is one of the leading suppliers worldwide.



BEXCO is the result of the merger in 1999 between Le Lis and Vermeire, whose (traditional) rope-making activities can be traced back to the year 1725. During the last 10 years, BEXCO has evolved from a traditional rope-making company to a high-tech specialist rope maker for marine, offshore and industrial applications.

The best communication is "two way."

Support *Performance matters!* by sending story ideas and feedback to jay.pomeroy@performancefibers.com!

BRAIN DRAIN

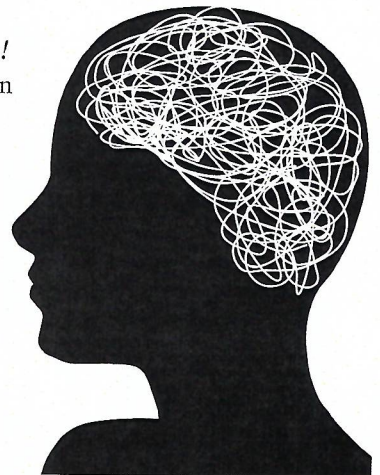
JUST THINK...

Just think about how great you'd look in a Performance Fibers got fiber? t-shirt! All it takes is some brain power (and a little luck) to win it.

The names of all the *Performance matters!* readers who answer the following question correctly will be entered into a drawing. Find out in next month's issue who wins!

Where can the words "soft hand" be found on the new Performance Fibers web site?

Send your answer to:
jay.pomeroy@performancefibers.com.
And hurry! You have until the end of the day Monday, June 11, to enter.



PERFORMANCE *matters!*

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