

other air emissions, increase efficiency and save water. He said he would double GE's current \$700 M annual research and development spending for clean technologies by 2010. And GE would increase revenues from the sale of environmentally superior technologies from \$10 bn in 2004 to \$20 bn by 2010. GE picked out 17 products that meet its criteria, including a silicone surfactant that helps pesticides penetrate plants, lowering use of pesticides by 50%.

Chemical and Engineering News, 16 May 2005, 83 (20), 12 (Website: <http://www.cen-online.org>)

## Czechs want ban on phosphates in washing products

The Czech government has brought forward a proposal to ban the use of phosphates in washing products [see also *Focus on Surfactants*, Mar 2005]. If the European Commission raises no objections, such as impediment to trade, this should become law in Jul 2005. There are restrictions on phosphates in all EU countries but only in Italy is there a total ban. France also recently announced its intention to ban detergent phosphates [*ibid*, May 2005]. Talks are also underway at the EU level on a possible European ban, though this lies further in the future. In Apr 2007 the Commission will present a proposal for prospective legislation on phosphates in washing products.

Kemivarlden, Apr 2005, (4), 5 & 12 (in Swedish)

## Ten years of bioproducts in France AGRICE and stakeholder networks

In France, ten years of research work on bioproducts has demonstrated that plants constitute a genuine alternative to petroleum as a feedstock for fuels and organic chemicals. In France, some 42 M tonnes of petroleum are consumed as fuels and 8 M tonnes as petrochemicals and lubricants. The total potential of excess forest and agricultural biomass that is currently available, taking competing uses into account, is estimated at 20 M tonnes, of which 12-15 M tonnes could come from dedicated agriculture and silviculture crops. Currently, around 350,000 ha are dedicated to biofuels and new plant-based chemicals (polymers, lubricants, solvents,

surfactants). The market share of bioproducts in France and Europe remains marginal overall, less than 1% of consumption, but in diversified markets. The top-ranking outlet is biofuels, followed by surfactants.

Green-Tech Newsletter, Apr 2005, 8 (1), 4-6 (Green-Tech Newsletter, Platform Hernieuwbare Grondstoffen, PO Box 822, 3700 AV Zeist, The Netherlands. Tel: +31 30 6933 489. Fax: +31 30 6917 394. E-mail: [platform@stichtingphg.nl](mailto:platform@stichtingphg.nl))

## COMPANY RESULTS

### Henkel posts clear growth thanks to acquisitions

Henkel posted a clear rise in sales and profits in 1Q 2005 thanks mainly to acquisitions in 2004, and it exceeded market expectations. The chairman has reaffirmed the growth target for 2005: sales are to rise 3-4% (exchange rate effects and acquisitions excluded). EBIT is to rise in the high 10% range from €1 bn in 2004. Sales were up 16.8% in 1Q 2005 at €2.74 bn from €2.34 bn in 1Q 2004 (organic growth was 1.5%) and EBIT was up 28.7% at €265 M (€205 M in 1Q 2004). The turnover increase was primarily attributed to the acquisitions of US companies Dial and ARL. Net profits were up 5.7% at €168 M. Detergents/cleaners sales were up 27.6% at €957 M, cosmetics/toiletries 18.3% at €594 M, and consumer adhesives up 8.2% at €371 M. Investment in fixed assets was down 4.1% in 1Q 2005 at €70 M, and R&D costs were up 14.1% at €73 M. Henkel is integrating Dial and ARL in 2005 and initiated a cost-cutting programme which will cut around 3000 out of 50,000 jobs by the end of 2006.

Handelsblatt Wirtschafts- und Finanzzeitung, 4 May 2005, 28 (86), 15 (in German) & Neue Zuercher Zeitung, 4 May 2005, 226 (103), 17 (in German)

### Unilever causes surprise with jump in profits

Anglo-Dutch group Unilever reported net profits for 1Q 2005 up 24% at €934 M, which the company attributed to a focus on core brands and a strict savings programme. Sales were up 2.3% at €9.266 bn, operating profits 7.6% at €1.416 bn,

and pre-tax profits up 8.6% at current exchange rates to €1.282 bn (£870 M). Toiletry sales were up 5.2% at €2.499 bn, and sales of household and other products fell 2% to €1.674 bn. The operating profit for personal care products was €461 M, 20% down on 1Q 2004. Unilever's sales volume was up 6.1% in the US, 4.2% in Europe, and 10.1% in Asia and Africa.

However, UK newspaper *The Independent* painted a somewhat different picture of Unilever's results, reporting the company's admission that it had lost market share in the UK in 1Q 2005 and casting doubt over its quest to regain momentum in Europe, its biggest market, this year.

According to *The Independent's* analysis, underlying sales across Europe fell 2% during 1Q 2005, excluding the boost from five extra trading days. Unilever's problems centred on the UK, where rival Procter & Gamble has taken a big chunk out of its sales of laundry detergent. But Unilever, which shook up its board after issuing a profits warning in autumn 2004, offered hope that its fortunes had turned elsewhere by reporting its second consecutive quarter of group like-for-like sales growth. Patrick Cescau, chief executive since Feb 2005 [*Focus on Surfactants*, Apr 2005], said he was "encouraged" but warned the backdrop would remain tough in Europe. Although the group said underlying sales rose 6% during its first quarter, it admitted that on a true like-for-like basis its performance was less impressive. Five extra trading days and an early Easter added an extra 400 basis points to top-line growth, it said. Analysts said there was a similar lack of visibility over its operating margin, which appeared to rise by 80 basis points to 15.3% but actually fell after profits from disposals and lower restructuring costs were stripped out. Pre-tax profits for the quarter rose 9% at current exchange rates to €1.28 bn, while net profits jumped 24% to €934 M. Since taking over as chief executive, M Cescau has made more than 100 senior appointments and axed 15% of the group's senior management. The company refused to confirm how many jobs had been affected. In the US, it saw a modest pick-up in market growth for most of