

4 Tambrands

Introduction

4.1. Tambrands is a wholly-owned subsidiary of Tambrands Inc, a Delaware corporation with its head office in White Plains, New York. The latter was founded as Tampax Inc in 1936 and set up a British subsidiary, Tampax Ltd, in 1937. Both companies were created to manufacture and market applicator tampons under the trade name of Tampax.

4.2. The companies changed their names to Tambrands in 1984, following a decision by the parent company to broaden the group's product range to include press-on towels, panty liners and diagnostic products. These achieved very limited sales in the UK, and the Tambrands group subsequently withdrew from all these products, so that since 1990 its product range has consisted solely of tampons.

4.3. Tambrands told us that since 1989 it has made substantial changes in its operational and marketing structures in Europe, replacing separate national strategies with an integrated pan-European approach. To the maximum extent possible, Tambrands treats Europe as one single market, which has enabled it to strengthen the Tampax brand identity across Europe by means of unified manufacturing, packaging and marketing strategies. This policy has also resulted in reductions in production and manufacturing costs and in lower stock levels. Tambrands also told us that, in accordance with its single market strategy, it seeks to operate a non-discriminatory trading and pricing policy under which broadly comparable trade terms and prices (subject to exchange rate fluctuations) are offered to equivalent customers across Europe.

4.4. In 1990, as part of this rationalization, Tambrands Inc located its international headquarters (for the whole world excluding the Americas) in Woking, employing some 20 executives and their support staff, led by the group Vice-President International. Tambrands sources most of its UK requirements from factories in Tours in France, Tipperary in the Irish Republic and Havant in Hampshire, employing approximately 200, 300 and 750 people respectively. These factories have become more specialized. All manufacturing of Compak is carried out in Tours, with Tambrands importing its requirements for the UK market. All manufacturing of Tampets is carried out in Havant. Tampets and Tampax products from the Havant factory are exported. The basic raw materials-either rayon, or a rayon and cotton mix-are made up into header rolls for use in Tambrands' products. Most of the header rolls for Tampets are made up in Havant, while nearly all of those for the Tampax lines are imported from Tipperary. The volumes and values of imports and exports from 1990 to 1994 are set out in Appendix 4.1.

4.5. In 1992 the method of distribution of exports was changed, when Tambrands ceased selling to third parties direct and started selling to Tambrands AG, a Swiss company, which bore the cost of brand support to export markets and the risk of foreign exchange exposure.

4.6. The UK is one of Tambrands Inc's strongest markets, being a market where applicator tampons are well established as a means of menstrual sanitary protection. Tambrands' share of the total supply of all tampons (applicator and digital) in the UK is 58 per cent, higher than the 55 per cent achieved in the USA. Its share of the total sanpro market is 21 per cent, the highest achieved by Tambrands Inc in any country.

Financial performance of the Tambrands group

4.7. The financial performance of Tambrands Inc for the five years 1990 to 1994 is summarized in Table 4.1.

TABLE 4.1 Tambrands Inc: summarized financial performance

	<i>US \$'000</i>				
	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
Net sales	631,511	660,722	684,113	611,465	644,513
Cost of products sold	<u>246,083</u>	<u>242,567</u>	<u>228,081</u>	<u>201,706</u>	<u>206,111</u>
Gross profit	385,428	418,155	456,032	409,759	438,402
Marketing, selling and distribution	172,264	194,646	193,477	202,031	233,753
Administrative and general expenses	63,238	63,027	67,823	61,378	53,034
Restructuring and other charges	-	<u>30,348</u>	-	<u>30,042</u>	-
Operating profit	149,926	130,134	194,732	116,308	151,615
Interest (net)	4,770	1,691	(2,869)	2,344	(9,864)
Taxation	(56,928)	(52,790)	(69,454)	(44,950)	(52,022)
Accounting changes*	-	-	<u>(1,009)</u>	<u>(10,252)</u>	-
Profit after tax	<u>97,768</u>	<u>79,035</u>	<u>121,400</u>	<u>63,450</u>	<u>89,729</u>
<i>Other data</i>					
Operating cash flow	104,892	107,404	95,799	128,731	128,871
Capital expenditures	39,158	44,642	55,125	45,636	38,470
Research and development	11,614	10,950	11,769	9,881	10,735
Advertising expenditures	40,342	36,158	37,980	48,309	66,484
Dividends paid	46,977	51,089	55,469	60,154	62,721
Purchase of own shares	107,745	52,796	123,451	57,946	71,118
Shareholders' equity	249,175	222,873	168,206	115,025	82,014
Net debt/(cash)	(85,210)	(64,865)	56,375	78,431	116,624
Average capital employed	146,624	143,831	164,994	178,770	174,320
<i>per cent</i>					
<i>% of net sales</i>					
Gross profit	61.0	63.3	66.7	67.0	68.0
Marketing, selling and distribution	27.3	29.5	28.3	33.1	36.3
Administrative and general expenses	10.0	9.5	9.9	10.0	8.2
Restructuring and other charges	-	<u>4.6</u>	-	<u>4.9</u>	-
Operating profit	23.7	19.7	28.5	19.0	23.5
ROCE†	102.3	90.5	118.0	65.1	87.0

Source: Tambrands.

*The accounting changes in 1992 and 1993 followed the introduction of new US accounting standards for the accrual of post-retirement benefits and pension costs.

†Operating profit as a percentage of average capital employed.

4.8. Tambrands' world-wide sales increased from \$201 million in 1979 to \$632 million in 1990. Comparing the results for 1994 with those of 1990 (the only two years not affected by restructuring charges or changes in accounting policy), sales barely grew. Marketing, selling and distribution expenses increased from \$172.3 million to \$233.8 million. Advertising expenditure was reduced in 1991, but in 1994 it was sharply increased in response to the competitive threat posed by the launch of Procter & Gamble's Always brand of 'ultra' (ultra-slim high-absorbency) towel.

4.9. During the five years to 1994 average capital employed increased from \$146.6 million to \$174.3 million. With an almost unchanged operating profit, ROCE fell from 102.3 to 87.0 per cent. ROCE is the ratio of operating profit to average capital employed. Capital employed consists of the book value of the company's tangible net operating assets (which therefore does not include the intangible asset represented by the Tampax brand).

Financial performance of Tambrands

4.10. The profit and loss accounts for 1990 to 1993 from Tambrands' statutory accounts are set out in Table 1 of Appendix 4.2, and the balance sheets for those years in Table 2. The company set up subsidiaries in the Ukraine and Russia, but their results were not consolidated until 1993, with the investments included in

the balance sheet at cost in earlier years. Delays in receiving the results of these Commonwealth of Independent States (CIS) subsidiaries prevented the 1994 statutory accounts from being available at the beginning of our inquiry. Towards the end of our inquiry, in December 1995, Tambrands told us that the final CIS results had still not been received, but Tambrands is required to file its 1994 accounts by 31 January 1996.

4.11. We therefore asked for the audited returns for Tambrands, excluding its subsidiaries, which had been sent to Tambrands Inc for inclusion in the 1994 group accounts, later receiving similar information for 1990 to 1993 with a forecast for 1995. The profit and loss accounts from these statements are set out in Table 3 of Appendix 4.2. They include the results of Tambrands' export business and so do not show the results of the UK operation separately. However, Table 3 of Appendix 4.2 includes the cost of the Havant factory and shows the effect of fluctuating raw material costs. It also shows the continuing increase in labour costs and manufacturing overheads which led to falling gross margins. Tambrands has engaged in a programme of automation at Havant, aimed at increasing productivity.

4.12. We also asked Tambrands for separate profit and loss accounts for its UK operations for the five years to 1994 and a forecast for 1995, and it supplied the information summarized in Table 4 of Appendix 4.2 (in a different format from that in Table 3). Table 4 shows the effect of the price increases in 1992 (see paragraph 4.28) and the accompanying loss of volume. Tambrands was able to reduce its overheads in line with the fall in volume so that its gross and net profits were higher than those achieved in 1991 as a percentage of sales; with the fall in volume being offset by the effects of the increased prices total operating profit was higher than in 1991. In 1993 and 1994 gross margins fell, in spite of price increases above the retail price index (RPI), indicating that manufacturing costs were increasing even more rapidly, and with the increase in brand support described in paragraph 4.40 there was a sharp decline in profitability. In 1995 the sales volume is expected to fall slightly, but due to a reduction in cost of sales (mainly manufacturing costs) the gross profit is expected to increase. Overheads and brand support costs have also been reduced enabling an increase in operating profit.

4.13. Table 4 of Appendix 4.2 also shows that Tambrands pays royalties to other group companies. It explained to us that until 1990 Tambrands Inc received from its manufacturing subsidiaries royalties at the rate of [*] per cent, which were doubled to [*] per cent from 1991 after the US Internal Revenue Service challenged the [*] per cent rate on the grounds that it was too low, considering the investment provided by Tambrands Inc and compared with the industry norm. The revised rate of [*] per cent was accepted by the Inland Revenue. This change in the royalty rate therefore reduced both gross profit and operating profit by [*] percentage points in 1991 and the following years.

4.14. The same table shows that Tambrands Inc levies a corporate charge on Tambrands. Tambrands told us that the corporate charge was calculated on a specific basis, reflecting the hours worked by staff of other group companies, including staff in functions such as treasury, legal, tax, corporate accounting and marketing where, without such supports, Tambrands would have to employ additional resources to meet those needs.

4.15. We have calculated revenues and costs per thousand SUs, which are included at the end of Table 4 of Appendix 4.2. [

Details omitted. See note on page iv.

]

4.16. A longer-term view of Tambrands' profitability in the UK was also available to us. In January 1993 the OFT recommenced its monitoring of the financial performance of Tambrands, requesting updates of the information in the 1986 report. The trading results of Tambrands' UK business are summarized in Table 4.2.

*Figures omitted. See note on page iv.

TABLE 4.2 Tambrands: summary of UK trading results

<i>£ million</i>						
<i>Year</i>	<i>Sales</i>	<i>Production costs</i>	<i>Gross profit</i>	<i>Brand support</i>	<i>Other overheads</i>	<i>Operating profit</i>
1979	10.3	4.1	6.2	0.6	2.4	3.2
1980	12.0	4.7	7.3	0.9	3.2	3.2
1981	14.3	5.0	9.3	1.8	3.9	3.6
1982	16.2	5.7	10.5	1.6	4.3	4.6
1983	18.3	6.2	12.1	1.6	5.0	5.5
1984	19.6	6.8	12.8	1.5	5.9	5.4
1985	23.7	[6.2
1986	25.8					5.4
1987	29.3					7.1
1988	32.8					8.9
1989	36.3		<i>Figures omitted. See note on page iv.</i>			8.7
1990	41.1					9.8
1991	46.7					13.2
1992	46.6					14.5
1993	49.4					9.2
1994	50.9]	4.6
1995*	[<i>Figures omitted. See note on page iv.</i>]
<i>per cent of sales</i>						
1979	100.0	39.8	60.2	5.8	23.3	31.1
1980	100.0	39.2	60.8	7.5	26.7	26.7
1981	100.0	35.0	65.0	12.6	27.3	25.2
1982	100.0	35.2	64.8	9.9	26.5	28.4
1983	100.0	33.9	66.1	8.7	27.3	30.1
1984	100.0	34.7	65.3	7.7	30.1	27.6
1985	100.0	[26.2
1986	100.0					20.9
1987	100.0					24.2
1988	100.0					27.1
1989	100.0		<i>Figures omitted. See note on page iv.</i>			24.0
1990	100.0					23.8
1991	100.0					28.5
1992	100.0					31.1
1993	100.0					18.6
1994	100.0]	8.8
1995*	[<i>Figures omitted. See note on page iv.</i>]

Source: Tambrands and 1986 report.

*Forecast.

Note: In 1985 the company changed its accounting policies and costs, which had previously been included in other overheads, were included in production costs. Tambrands does not have details of this change.

4.17. Tambrands supplied to the OFT information similar to that in Table 4.2 for its export business, which accounts for about 25 per cent of its sales, well below the levels at the time of our last inquiry. The operating margin (operating profit as a percentage of sales) is far lower for Tambrands' export business than for its UK business, [*Details omitted. See note on page iv.*]. Tambrands told us that the operating margin had always been low. However, the export business had been profitable at the gross margin level and thus contributed to the overall profitability of Tambrands.

4.18. Also included in the information to the OFT were Tambrands' calculations of its ROCE, which are summarized in Table 4.3.

TABLE 4.3 Tambrands: calculation of ROCE in the UK business on a historical cost basis

Year	Operating profit £m	Capital employed £m	ROCE %
1979	3.2	4.7	68
1980	3.2	5.5	58
1981	3.6	6.5	55
1982	4.6	6.8	68
1983	5.5	6.9	80
1984	5.4	7.9	68
1985	6.2	8.9	70
1986	5.4	9.3	58
1987	7.0	11.6	60
1988	8.9	12.2	73
1989	8.7	11.8	74
1990	9.8	12.6	78
1991	13.2	16.0	83
1992	14.5	32.6	44
1993	9.2	34.3	27
1994	4.6	37.3	12

Source: Tambrands.

4.19. Table 4.3 shows that ROCE increased year-on-year from 1986 to 1991, when it reached 83 per cent, after which it declined sharply to 12 per cent in 1994. Although principally attributable to the recent fall in operating profit, a further reason for the decline in ROCE has been the trebling in capital employed between 1990 and 1994. Tambrands attributes this increase to the programme of automation which has been carried out at Havant (see paragraph 4.11) and further investment in information technology.

4.20. Although Tambrands told us that it had calculated ROCE in the same way as for the 1986 report, we found it necessary to make some changes. First, in recent years capital employed has included significant amounts of construction in progress, which do not contribute to operating profits. Secondly, capital employed was split between UK operations and the export business on the basis of turnover. As explained in paragraph 4.17, exports have been much less profitable than UK sales, so that this method understated the use of resources for the export business. Using information supplied by Tambrands we allocated all elements of capital employed on the basis of cost of sales rather than sales, except for trade debtors which could be specifically allocated between the UK and export businesses.

4.21. Table 4.4 shows ROCE in the submissions to the OFT (from Table 4.3) and as recalculated by us.

TABLE 4.4 Tambrands: ROCE (historical cost basis)

	<i>per cent</i>				
	1990	1991	1992	1993	1994
As submitted to the OFT (as per Table 4.3)	78.0	83.0	44.0	27.0	12.0
As recalculated by the MMC*	75.3	95.1	74.9	36.3	18.8

Sources: Tambrands and MMC.

*1990 ROCE has been calculated on year-end capital employed.

4.22. Further adjustments could have been made. We could have added back the royalties and corporate charges described in paragraphs 4.13 and 4.14. We could also have taken into account intercompany profits arising on sales in the UK. Tambrands France SA makes a profit on its sales of Compak to Tambrands, but more important are the imports of header rolls and Tampax from Tambrands AG, in Tipperary (as shown in Appendix 4.1). Tambrands told us that the manufacturing costs and profitability of its Tipperary factory were similar to those in Havant, and that header rolls had been imported at prices similar to those paid to outside suppliers. However, if these profits were included in calculations of ROCE, it would also be necessary to add part of the operating assets of the French and Irish operations to capital employed.

4.23. There are inevitable difficulties in calculating the ROCE for Tambrands' UK operations separately from those of its export business, particularly given the increasing integration of its European operations. The presence of a significant international management operation in Woking leads to further difficulties in the allocation of operating costs and net operating assets. Table 4.4 shows that Tambrands' ROCE has fallen significantly between 1991 and 1994. However, these returns may be somewhat understated because of intercompany transactions and, as explained in paragraph 4.12, Tambrands expects an improvement in profitability in 1995.

Tambrands' products

4.24. Tambrands markets three types of tampon in the UK:

- (a) Tampax flushable applicator tampons;
- (b) Compak plastic applicator tampons; and
- (c) Tampets digital tampons.

Detailed descriptions of these products are given in paragraph 5.23.

Pricing policy

4.25. Marketing and pricing strategy are determined by corporate management in White Plains. Detailed annual plans, covering pricing policy, are prepared for each market, consolidated centrally and agreed. Pricing proposals are put forward by local management, in the case of the UK by the Commercial Director and approved by the Vice-President and the group Vice-President International.

4.26. As explained in paragraph 3.3, the 1980 report concluded that the determination of tampon prices by Tambrands was against the public interest, in that tampon prices were higher than would otherwise be expected. The 1986 report (see paragraph 3.4) found that the prices of tampons were higher than would be the case if market power were less, but there were no insuperable barriers to entry nor any evidence of restrictive or anti-competitive practices.

4.27. Table 4.5 shows Tambrands' UK sales in volume and value terms and a price per SU (see paragraph 3.15) for the years since 1979. The price per SU is then expressed as a tampon price index (1979= 100) and compared with the RPI, with a tampon price index relative to the RPI also included. Finally the annual percentage increase in tampon prices is compared with the annual increase in the RPI.

TABLE 4.5 Tambrands: UK pricing trends, 1979 to 1994

Year	Volume '000 SUs	Value £m	£ per SU	Tampon index	RPI	Tampons relative to RPI	Year-on-year percentage increase	
							Tampons	RPI
1979	410	10.3	25.1	100.0	100.0	100.0	-	-
1980	423	12.0	28.4	112.9	118.0	95.7	12.9	18.0
1981	425	14.3	33.6	133.9	132.0	101.5	18.6	11.9
1982	428	16.2	37.9	150.7	143.4	105.1	12.5	8.6
1983	440	18.3	41.6	165.6	149.9	110.4	9.9	4.6
1984	452	19.6	43.4	172.6	157.4	109.7	4.3	5.0
1985	490	23.7	48.4	192.5	167.0	115.3	11.5	6.1
1986	496	25.7	51.8	206.3	172.7	119.5	7.1	3.4
1987	532	29.3	55.1	219.2	179.9	121.9	6.3	4.2
1988	570	32.8	57.5	229.1	188.7	121.4	4.5	4.9
1989	584	36.3	62.2	247.4	203.3	121.7	8.0	7.8
1990	592	41.1	69.4	276.4	222.6	124.2	11.7	9.5
1991	602	46.6	77.4	308.1	235.6	130.8	11.5	5.9
1992	510	46.7	91.6	364.5	244.5	149.1	18.3	3.7
1993	495	49.4	99.8	397.3	248.3	160.0	9.0	1.6
1994	493	50.9	103.3	411.3	254.4	161.7	3.5	2.4
1995*	[†]	[†]	102.9	409.6	263.4	155.9	(0.4)	3.5

Sources: Tambrands and 1986 report.

*Forecast.

4.28. Table 4.5 shows that Tambrands' UK selling prices in 1994 were four times those in 1979, while the RPI has increased only two and a half times. Price increases have exceeded the growth in the RPI in 12 of the last 16 years, with the largest real-term increases in 1991 (5.3 per cent), 1992 (14.0 per cent) and 1993 (7.3 per cent). In all, its tampon prices increased in real terms by 61.7 per cent over the 15 years to 1994. (Some of the apparent increase in 1993 and 1994 prices is attributable to the launch of Compak, a higher-priced product than Tampax, but the effect is not significant.) There were further increases in prices of some Tambrands products of between 2 and 6 per cent in August 1995. However, the overall price per notional average SU has declined slightly in 1995. (Some of the apparent decline in 1995 prices is attributable to the launch of Tampets, a lower-priced product than Tampax.)

4.29. Tambrands told us that it does not recommend retail prices. The retail prices of Tambrands' products and those of its competitors are discussed in paragraphs 5.47 to 5.49.

UK distribution

4.30. Tambrands focuses its marketing efforts primarily at:

- (a) *Retail multiples*: Tambrands' sales force seeks to persuade retailers of the attractions of each of its product lines to encourage them to stock each line in as many stores as practicable.
- (b) *Independent chemists*: Tambrands does not have direct trading relationships with independent chemists, but operates an indirect sales force which visits chemists and encourages them to purchase Tambrands products. The chemist's orders will be placed with a full-line pharmaceutical wholesaler of its choice.
- (c) *Other retail outlets*: Other retail outlets which either purchase direct from Tambrands or via cash and carry operations and other wholesalers.

4.31. Tambrands' sales to the nine retailers on special contract terms over the last five years are shown in Table 4.6. The special contract terms are discussed in paragraphs 3.14 to 3.21 and are set out in full in Appendix 3.1.

TABLE 4.6 Tambrands Ltd: sales to special contract retailers, 1990 to 1994

	£'000				
Retailer	1990	1991	1992	1993	1994
Boots	[
Sainsbury's					
Tesco					
Safeway					
Superdrug	<i>Figures omitted. See note on page iv.</i>				
Asda					
Somerfield					
Morrisons					
Waitrose]
	22,348	25,976	25,988	28,579	29,911
UK sales	41,172	46,756	46,647	49,424	50,867
	<i>per cent</i>				
Ratio of sales to special contract retailers to all UK sales	54.3	55.6	55.7	57.8	58.8

Source: Tambrands.

Table 4.6 shows that while there has been little change in the ranking of these retailers since 1990, they have in total increased their share of Tambrands' UK sales. In 1990 they accounted for 54.3 per cent of sales by value, but, Tambrands told us, in the first nine months of 1995 they accounted for 61.6 per cent by value (and 63.7 per cent by volume).

4.32. Not all major retailers are on special contract terms. Some choose to stock a restricted range of Tambrands' products or to place orders of less than 150 cases and only qualify for standard retail terms. These major retailers include Co-operative Retail Services Ltd, Kwik Save Stores Limited (Kwik Save) and Aldi Einkauf GMBH & Co OHG, which in 1994 had purchases from Tambrands close to or larger than some of those on special contract terms.

4.33. Tambrands sells to chemists through 30 chemist wholesalers, which accounted for 11.5 per cent of sales by value in 1994 and 6.3 per cent for the first nine months of 1995. Lloyds Chemists PLC (Lloyds), AAH Pharmaceuticals Limited (AAH) and UniChem PLC (UniChem) dominate this category.

4.34. The discount terms offered by Tambrands to the various customer categories are described in Chapter 3.

4.35. Tambrands' credit terms are either 30 days from invoice date or net monthly for all its UK customers. Invoices are sent out on the date of despatch. Tambrands told us that some of the nine customers on special contract terms are late payers.

Product costs and profitability

4.36. Tambrands supplied us with details of its product costs per SU in 1993 and 1994 which are set out in Table 4.7.

TABLE 4.7 Tambrands: production costs, 1993 and 1994

	<i>£ per SU</i>	
	<i>1993</i>	<i>1994</i>
Tampax:		
Mini	[
Regular		
Super		
Super plus		
Tampets:	<i>Figures omitted.</i>	
Regular	<i>See note on page iv.</i>	
Super		
Compak:*		
Regular		
Super]

Source: Tambrands.

*The costs shown for Compak are transfer prices from Tambrands France SA.

4.37. Tambrands explained to us that some tampons cost more than others to manufacture. Super plus cost more to manufacture than super, which in turn cost more than regular, because they each required more fibre. Mini cost more than regular, because it involved a more complex high-absorbency fibre process. The cost of manufacturing applicator tampons, Tampax and Compak, was higher than that of the digital tampon, Tampets, because of the additional cost of the applicator. The plastic applicator for Compak was more expensive than the cardboard applicator for Tampax. (However, Table 4.7 shows that in both 1993 and 1994 Tampets had a higher production cost than Tampax.)

4.38. Tambrands also told us that the reduction in costs of the Tampax product in part reflected savings from the introduction of automated packing machinery in the Havant factory. The high costs of Tampets in 1993 reflected the start-up costs associated with manufacturing a new product; costs fell in 1994 and will continue to fall in 1995. The increase in costs of Compak reflected increased overheads in Tours due to the reorganization of manufacturing in Europe; these costs should come down as volumes increase. The costs of Compak included the costs of transport from Tours to Havant.

4.39. Information on product profitability in 1994 is set out in Table 4.8. The selling price is a weighted average for all Tambrands' customers. For Compak the intercompany profit has been eliminated to give the production cost of the Tours factory.

TABLE 4.8 Tambrands: 1994 product profitability

	<i>£ per SU</i>			
	<i>Selling price</i>	<i>Production cost</i>	<i>Gross profit</i>	<i>Gross profit %</i>
Tampax:				
Mini	[
Regular				
Super				
Super plus				
Tampets:	<i>Figures omitted.</i>			
Regular	<i>See note on page iv.</i>			
Super				
Compak:				
Regular				
Super]

Source: Tambrands.

Brand support

4.40. The profit and loss accounts set out in Table 4 of Appendix 4.2 show that Tambrands' UK brand support expenditure increased from £[*] million in 1992 to £[*] million in 1994. This increase was in response to Procter & Gamble's launch in 1992 of Always with unprecedented levels of advertising, and by the easing of restrictions on television advertising (more fully described in paragraph 5.44).

4.41. Table 5.13 gives a detailed breakdown of Tambrands' brand support expenditure for 1990 to 1994. There has been an increase in trade and consumer promotions and continuing expenditure on the educational service, employing 15 qualified nurses who visit schools and deliver lectures covering all aspects of puberty. But, as the table shows, by far the largest part of the increase has been in advertising.

*Figures omitted. See note on page iv.