

JULY 2004

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> **LETTER FROM THE PRESIDENT** -- BY JOHN RHEES



VALUE-ADDED ALOE PRODUCTS

As we look ahead and visualize what will make the greatest difference to our individual Companies' success, and the success within the Aloe Industry at large, **value-added, technologically advanced products** come powerfully to mind. Coming up with new ideas that add value is the "food" of innovation, and as business management guru Peter Drucker points out, "Business has only two basic functions—marketing and innovation."

In 2003, the Natural Products industry experienced a robust 8.1 percent growth rate on sales volume totaling \$42.8 billion across all channels. At the consumer level, both baby boomers and Gen-Xers are in search of scientifically improved natural and organically-grown products that provide discernable health benefits and convenience.

For many years, raw material and finished goods businesses have enjoyed an overall steady growth due to the growing popularity and awareness of natural products. Today's consumer brings new challenges (and opportunities for innovation) in meeting their demands for proven products that make a noticeable difference in not only current health status, but in the prevention of possible *future* health issues. Technologically-advanced and science-based "value added" products, properly positioned and marketed, that meet or exceed governmental regulatory requirements fit in well with current market shifts.

At Aloecorp we have been aggressively preparing for these demanding market shifts. We're reengineering our manufacturing facilities and installing innovative technology upgrades to push industry standards to new heights. As our innovation process continues through 2004, we are also preparing the announcement of revolutionary product improvements and technologies that will take Aloecorp a quantum leap into the future, and secure its place as the leader in the science of Aloe, an herb known since antiquity as the "Plant of Immortality."

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> **DESIDERATUM -- BY MICK ANDERSON**

IN PRAISE OF KEN JONES, DIRECTOR OF RESEARCH

AND DEVELOPMENT



I have decided to look inward, into Aloecorp, to bring to light a very dedicated man - Ken Jones, Director of Aloecorp's Research and Development Department. By Ken's very title, one can immediately see there is a great deal of reading, investigation, trial and error, experimentation, creativity, and innovation involved in the efforts of research. Ken then develops those findings into meaningful and useful conclusions to bolster our company mission: to provide the highest quality and most innovative bioactive *Aloe vera* products available.

Ken is one of the most gifted scientists I have had the pleasure to work with. At Aloecorp, Ken serves as scientific liaison with sales and marketing, oversees the QC departments, and directs the development and validation of chemical and biological testing for production and research of *Aloe vera*. He graduated Summa Cum Laude from Metropolitan State College where he received degrees in Biology and Chemistry. Before joining Aloecorp, Ken worked at the University of Colorado Health Sciences Center (Pulmonary Department) and Unigen [Univera] Pharmaceuticals--where he researched and published on patent protected *ACTI/Valoe™* and Aloesin (from *Aloe vera*), an antioxidant and modulator of melanogenesis. Ken is an active board member of the International Aloe Science Council (IASC), a non-profit organization dedicated to serving the needs of the Aloe industry.

Ken approaches all aspects of his responsibilities in R&D with an open and receptive mind. He is fair handed and true to his uncompromising sense of integrity. As a team leader, Ken gives credit where credit is due and is quick to point out areas which need improvement - and see that improvements are made. He is a remarkable man who never complains--he just gets the job done. I've lost track of the number of times one of Aloecorp's eighteen (18) Representatives from around the world mention their appreciation for the excellent scientific work supplied by Ken and the R&D Department.

Aloecorp's R&D staff offers sophisticated scientific support to its customers. Recently, Ken and the R&D staff evaluated the release kinetics of *Aloe vera* from two transdermal patch matrices under development by a customer and determine which was more effective. To support Ken's efforts and advance the science of Aloe, Aloecorp's Chairman, Mr. Bill Lee has invested over \$13 million in Research and Development efforts for not only Aloecorp, but also the Aloe Industry.

Thank you to Ken Jones and staff in the Aloecorp Research and Development Department!

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> ALOECORP AND INDUSTRY NEWS -- BY BOB SMITH

New Sales Offices

Many things are happening at Aloecorp these days: the



corporate move to Lacey, Washington is only a few months away, and to better serve our customers, the sales department has set up three regional offices. Contact the sales managers directly at the numbers below, or call the main office toll free at 800-458-ALOE:

International Sales Office

Mick Anderson, V.P. International Sales
30 High Garden Terrace Newnan, GA 30263
Ph: 770-683-3563 Fax: 770-683-3564

Eastern Region

Jeff Barrie, Eastern Sales Manager
40 Pako Avenue Keene, NH 03431
Ph: 603-357-9993 Fax: 603-357-9299

Western Region

Bob Smith, Western Sales Manager
1001 Home Farm Circle Westminster, CO 80234
Ph: 303-920-7414 Fax: 303-920-2959

Renovation (and Innovation)

Plant renovation in Mexico is currently underway to improve concentrating and drying efficiencies. At the same time, we have started construction of a new million-dollar production facility in Lyford, TX, which includes 18,400 square feet of additional space for production, storage and shipping, in addition to implementation of significant advances in Quality Control and Quality Assurance issues.

New Employees

Aloecorp is not only dedicated to improving our facilities and equipment, we are also pleased to announce the addition of **Evan Moilan** as Director of Production. Evan holds a degree in Food Technology & Engineering from Texas Tech University, and brings almost 30 years of experience in operations management--formerly for American Home Products (Wyeth) and Bristol-Myers (Mead Johnson), among others. We look forward to gaining from his wealth of knowledge and depth of experience to improve operations and enhance product quality.

At corporate HQ, we have added **Marissa Molijon**—she will handle our Accounts Payable and Payroll. If you are one of our vendors and need to inquire about a payment, please contact Marissa for a friendly update and assistance.

Trade Shows

Aloecorp recently exhibited at the Supply Side East Trade Show in Baltimore. Baltimore was a new venue for Supply Side since moving from Secaucus, NJ. Once again, we were excited to see old friends and pleased to make new acquaintances.

We look forward to seeing many of you at the following shows:

Institute of Food Technologists –

Las Vegas Convention Ctr. – July 13-16 – Booth #3658

NNFA – Sands Expo Center, Las Vegas – July 17-18 – Booth #1316

Supply Side West –
Sands Expo Center, Las Vegas – Sept 29-October 1 – Booth #1700

Natural Products Expo East –
Washington Convention Center – October 15-17 – Booth #2411

Seminars: Please Join Us

Aloecorp is please to be the sponsor of a seminar at NNFA entitled:
Aloe vera: New Science and Applications in Functional Foods, Beverages, Cosmeceuticals and Nutraceuticals

Presenters: Ken Jones, Aloecorp Director R&D and Karen Masterson, BS Clinical Nutrition and President, Aloe Life International

Date: Friday, July 16, 2004

Time: 9:15 to 10:15 am

Place: Room 204 Sands Expo and Convention Center

[click here to view seminar flyer](#)

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**> ASK KEN &
> ALOE SCIENCE -- BY KEN JONES**

The Antidiabetic Activity of *Aloe vera*

Statistics compiled by the American Diabetes Association (ADA) show diabetes was the sixth leading cause of death in 2000. It is estimated that 18.2 million people in the United States have diabetes. The ADA reports heart disease as the leading cause of diabetes-related deaths, citing adults with diabetes have heart disease death rates and risk of stroke from two to four times higher than adults without diabetes. Diabetes has been linked to factors associated with a Western lifestyle, but the reality is diabetes is one of the leading causes of death worldwide. Research has shown that being overweight or obese are leading risk factors for developing Type-II diabetes. The ADA web site (www.diabetes.org) offers information on weight loss and a brochure with advice on how to start losing weight and become more active.



[...click here, to read the whole article](#)

To submit an “Ask Ken” question or to provide comments, send an email to e-newsletter@aloecorp.com.

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> MYTH OR FACT -- BY JEFF BARRIE

For Aloecorp's customers in the Northeast, we have established a sales office in Keene, New Hampshire to better serve your needs. While Keene is a small New England town, it's not without its share of health-minded citizens. On a recent shopping trip to the local supermarket with my wife, we were delighted to find raw Aloe leaves available in the produce



section. In **fact**, very time I mention to someone that I am in the business of supplying raw material *Aloe vera*, they'll comment on how great Aloe is for the skin, burns or mentions Grandmother's home remedy use of Aloe for minor scrapes and insect bites. Being an old cosmetic chemist myself, I agree there is nothing better than Aloe to put on your skin.

However, there are so many other uses for *Aloe vera* that it makes me wonder why so many people continue to think it is just for skin. In 1999, Northern Specialty Foods

(in the UK) launched a variety of drinks with 5% *Aloe vera* juice, fruit pulp, mineral water and natural flavors. That same year, a Swiss company launched a line of yogurt and yogurt drinks with Aloe. More recently, in Brazil, food giant Nestlé introduced its

Molico® Beauty brand of 0% fat yogurt containing Aloe. Then, Emmi® introduced Aloe-based yogurt products in Germany, Switzerland and Portugal. In China, a confectionery brand called Tastey® sells toffees with Aloe filling. In Italy, the Santal® brand has a grapefruit and Aloe juice introduced by Parmalat. With "functional foods" becoming the buzz in the US market, it's only a matter of time until we see Aloe-based yogurt, drinks and foods available in American retail outlets.

In previous issues of ***Aloe Today*** we have discussed the many benefits of taking Aloe internally. And, clinical studies on Aloe for health conditions such as diabetes and high cholesterol continue to reinforce Aloe's internal benefits. However the number of people drinking Aloe is merely a drop in the bucket of those who should be taking advantage of this miraculous plant. The **fact** is, so many of us can better our lives by drinking Aloe. The biggest complaint I hear concerns the taste of Aloe, which is fairly bland with a slight hint of citrus. While many of us easily acquire a taste for Aloe, for those more finicky consumers, Aloe can easily be masked with added flavors, or blended in with your favorite fruit or vegetable juice. For ultimate ease of use, take in capsule form.

No matter now you take your Aloe, I cannot stress enough the benefits of ingesting Aloe. These days, there are few of us who don't know someone following a "low carb" diet plan. A recent study at Yale University found that consuming foods high in animal protein, saturated fat, eggs and dairy could compromise the immune system. It is no **myth** that fruits and vegetables provide antioxidants, and are known to boost the immune system. Did you also know the **fact** that Aloe is an immune booster? It also stimulates the body's own production of antioxidants. This is a great reason to ingest Aloe, especially if you are restricting your intake of fruits and vegetables as a result of following a low carb diet plan. Recommended daily dose of

an Aloe drink is 1 to 2 ounces, 1-2 times daily or 150-300 mg 1-2 times daily. If you're counting carbs, three ounces of *Aloe vera* contain about three calories and only 0.5% carbohydrates by weight.

So if you are one of the estimated 59 million Americans on a high protein/low carb diet, I suggest (that's right, here I go again) you combine a few of ounces of Aloe into your daily health regimen. Always look for Aloe products that carry the International Aloe Science Council (IASC) seal for content and purity and even better, look for ACT/Valoe™. ACT/Valoe™ is a patent protected bioactive *Aloe vera* ingredient from Aloecorp guaranteed to contain 10% by weight polysaccharides as measured by NMR and SEC(HPLC)---your assurance of a consistent and effective end product.

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[> MARKETING TRENDS -- BY BARB APPS](#)

Aloe: Help for the Seventy Million Americans Struggling with Rising Blood Sugar

Diabetes is one of the most common non-communicable diseases in the world. During the 1990s, diabetes rates in the US increased by 33%, largely due to the aging population, and the rising prevalence of obesity. Additionally, the number of people with high levels of blood sugar (prediabetes) has been climbing rapidly in all age groups—about one million people are diagnosed annually. People with prediabetes tend to have poor glucose control, are overweight, eat poorly and don't exercise.

Diabetes has distinct ethnic and gender characteristics:

- Women of minority racial and ethnic origins are 2 to 3 times more likely than non-Hispanic white women to have diabetes
- Among women aged 50-59 years the prevalence of type 2 diabetes was 23% for blacks, 24% for Mexican Americans and 9.7% for whites
- 32% of Native American women over 65 years have diabetes

Therefore, it's not surprising a recent survey found more than 50% of Americans are concerned they may develop diabetes:

- Women are more concerned than men (52% vs. 48%)
- African Americans are more concerned than Caucasians (67% vs. 46%)
- Younger adults (35-44) are more concerned than mature adults (over 65)

The rising number of Americans (about 70 million) struggling with their blood sugar levels has resulted in a plethora of new products positioned for glucose-management and blood sugar control. Most people with type 2 and pre-diabetes have a lifestyle disease; therefore, proper nutrition plays an important role in its management. This burgeoning market presents an extraordinary entrée for Aloe-based dietary supplements, functional and medical food and beverage products.

Due to Aloe's versatile properties and regulatory status as a food additive, it can easily be formulated into foods, bars, beverages and dietary supplements positioned for people concerned with diabetes and diabetes-associated health concerns (obesity, cholesterol, and oxidative stress). For those trying to manage their weight, a risk factor for diabetes, out of balance blood sugar levels cause cravings for sugar, sweets and carbohydrates as well as the mid-morning and mid-afternoon "lows" that send people to the vending machine for chips or candy between meals. Once again, Aloe can help to curb those cravings, and keep blood sugar levels under control.

Consumers of products for blood sugar control will not only expect great taste, convenience and a fair price, but effective and consistent health benefits. That's why Aloecorp recommends its patented *ACTIValoe*[™], the first standardized *Aloe vera* to guarantee not less than 10% polysaccharides by weight as verified by NMR and SEC(HPLC), and shown to enhance native aloe activity. It will ensure you and your consumer batch-to-batch consistency, and guaranteed bioactivity.

[NOTE: Diabetes is a serious health condition. Do not attempt to self-treat without the advice and consent of a health professional.]

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ACTIValoe[™] is a registered trademark of Aloecorp, Inc.

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