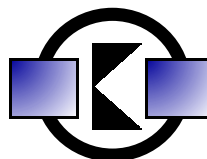
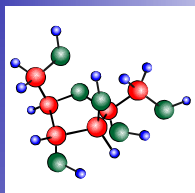


NOW AVAILABLE

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES USA 2000



KLINE & COMPANY, INC.
OVERLOOK AT GREAT NOTCH
150 CLOVE ROAD
PO BOX 410
LITTLE FALLS, NJ 07424-0410
(973) 435-6262
www.klinegroup.com



INTRODUCTION

The Kline Group is pleased to announce the publication of its new syndicated analysis titled **SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES USA 2000**, which forms part of Kline's global assessment of this complex market. This report provides an authoritative and comprehensive analysis of this historically ill-defined market, valued at around \$970 million in 2000, including:

- Distinct and detailed analyses of eight major specialty raw material product categories
- Industry dynamics and key trends, including an assessment of the business implications of these issues
- An overview of the U.S. cosmetic and toiletry industry
- A detailed assessment of customer purchasing considerations and their impact on raw material suppliers
- A comprehensive assessment of specialty raw material distribution channels
- Complete business profiles of 19 specialty raw material suppliers

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY
 2. INTRODUCTION
 3. OVERVIEW OF THE U.S. COSMETIC AND TOILETRY INDUSTRY
 4. SPECIALTY SURFACTANTS
 - 4A. Overview
 - 4B. Anionics
 - 4C. Amphoterics
 - 4D. Cationics
 - 4E. Nonionics
 - 4F. Trends
 - 4G. Outlook
 5. SPECIALTY CONDITIONING POLYMERS
 - 5A. Overview
 - 5B. Silicones
 - 5C. Polyquaterniums
 - 5D. Conditioning Proteins
 - 5E. Trends
 - 5F. Outlook
 6. ANTIMICROBIALS, PRESERVATIVES, BACTERIOSTATS, AND ANTIDANDRUFF AGENTS
 - 6A. Overview
 - 6B. Preservatives
 - 6C. Bacteriostats
 - 6D. Antidandruff Agents
 - 6E. Trends
 - 6F. Outlook
 7. COSMETIC ACTIVES
 - 7A. Overview
 - 7B. Vitamins
 - 7C. Alpha Hydroxy Acids
 - 7D. Other Active Ingredients
 - 7E. Trends
 - 7F. Outlook
 8. EMOLLIENTS
 - 8A. Overview
 - 8B. Natural Oils
 - 8C. Emollient Esters
 - 8D. Trends
 - 8E. Outlook
 9. UV ABSORBERS
 - 9A. Overview
 - 9B. Organic UV Absorbers
 - 9C. Inorganic UV Absorbers
 - 9D. Trends
 - 9E. Outlook
 10. HAIR FIXATIVE AND STYLING POLYMERS
 - 10A. Overview
 - 10B. PVP/VA Fixative Polymers
 - 10C. Amphomer Fixative Polymers
 - 10D. PVP Styling and Fixative Polymers
 - 10E. Gantrez Fixative Polymers
 - 10F. Resyn Fixative Polymers
 - 10G. Fixative Polymers Designed for Low-VOC Formulations
 - 10H. Trends
 - 10I. Outlook
 11. RHEOLOGY MODIFIERS
 - 11A. Overview
 - 11B. Cellulose Polymers
 - 11C. Synthetic Polymers
 - 11D. Inorganics
 - 11E. Natural Gums
 - 11F. Trends
 - 11G. Outlook

For chapters 4 through 11, the following information is provided:

 - Overview of product category
 - Introduction
 - Pricing
 - Estimated consumption by individual product
 - Applications and customer base
 - Regulatory issues
 - Suppliers
 - For each individual product covered
 - Introduction
 - Use levels
 - Pricing
 - Estimated consumption volume and value
 - Applications and customer base
 - Suppliers
 - Estimated supplier sales in volume and value
 - Products marketed and trade names
 12. PURCHASING CONSIDERATIONS
 13. CHANNELS OF DISTRIBUTION
 14. SUPPLIERS
 - 14A. Aqualon
 - 14B. BASF Corporation
 - 14C. BFGoodrich (Noveon, Inc.)
 - 14D. Clariant
 - 14E. Cognis
 - 14F. Croda Inc.
 - 14G. Dow Chemical (including Amerchol)
 - 14H. Dow Corning
 - 14I. Finetex
 - 14J. GE Silicones
 - 14K. Goldschmidt Chemical
 - 14L. Imperial Chemical Industries (includes National Starch, Quest, and Uniqema)
 - 14M. International Specialty Products
 - 14N. Inolex Chemical Company
 - 14O. Lipo Chemicals
 - 14P. Rhodia, Inc.
 - 14Q. RITA Corporation
 - 14R. 3V Inc.
 - 14S. Tri-K Industries

For each company, the following information is provided:

 - Background
 - Organization
 - Management and personnel
 - Sales and financial performance
 - Products
 - Business and marketing structure
 - Research and development
 - Competitive position
 - Product sourcing and manufacturing capabilities
 - Appraisal
- APPENDIX: List of Organizations Interviewed for the Study**

THE BUSINESS

Specialty raw materials are defined by Kline as differentiated products that confer a distinct performance benefit to a formulated product. Compared with commodity products, specialty raw materials are sold in comparatively low volumes and at higher prices on a per-kilo basis. Such products are marketed for their performance characteristics and not by their chemical content or origin alone.

U.S. consumption of specialty raw materials for cosmetics and toiletries is estimated at around \$970 million in 2000. Conditioning polymers and cosmetic actives are the two leading product categories that together account for 45% of consumption value in 2000. Antimicrobials, specialty surfactants, rheology modifiers, and UV absorbers account for an additional 40% share of the market, as shown in Figure 1.

On a volume basis, skin care applications account for around 40% of total specialty raw material consumption, and hair care represents an additional 30%, as shown in Figure 2.

The supplier base for specialty raw materials for cosmetic and toiletry applications in the United States is complex and fragmented.

A wide variety of products are offered, and the supplier base is fragmented with upward of 35 companies participating. This competitive market is currently being impacted by a variety of external and internal factors, as illustrated in Figure 3, resulting in opportunities for current and new specialty raw material suppliers to this business.

Specialty raw material suppliers to the U.S. cosmetic and toiletry industry are considering the strategic implications of many of these trends and issues on their U.S. and other global businesses, raising such questions as:

- **How can we compete successfully and profitably in the future U.S. market?**
- **How will customer expectations and purchasing criteria and practices change over the next five years?**
- **How can we target our customers effectively? What information should we provide?**
- **What are the new growth opportunities for specialty raw materials?**
- **How can we ensure that this business remains a value-added one?**
- **Should we market a broader range of specialty raw materials? Why or why not?**
- **What can we learn from our competitors?**
- **Which channels of distribution should we use to market our raw materials effectively?**

Figure 1

ESTIMATED U.S. CONSUMPTION OF
SPECIALTY RAW MATERIALS FOR COSMETICS
AND TOILETRIES BY PRODUCT CATEGORY, 2000

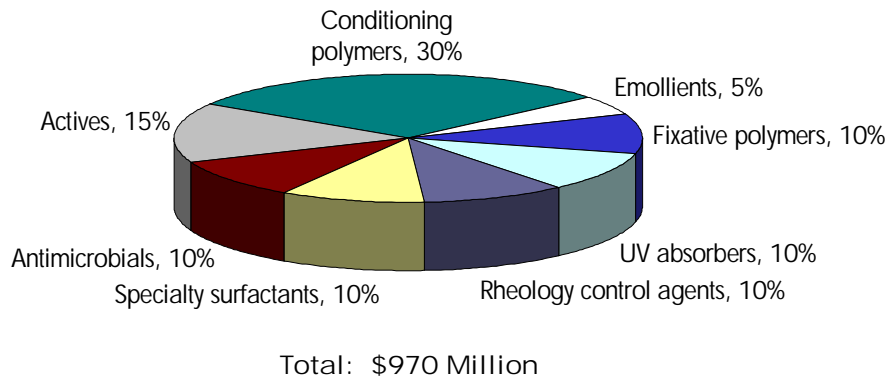
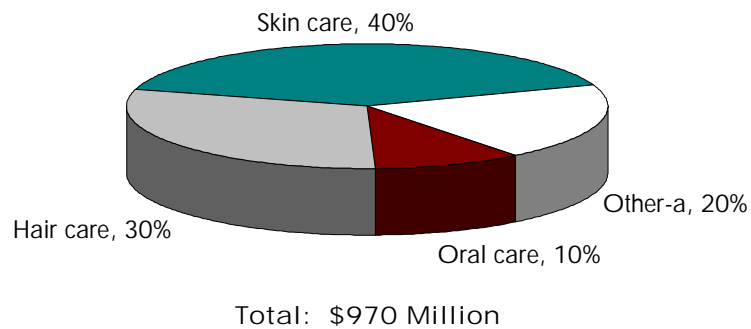


Figure 2

ESTIMATED U.S. CONSUMPTION OF
SPECIALTY RAW MATERIALS FOR COSMETICS
AND TOILETRIES BY APPLICATION, 2000



a- Includes antiperspirants, deodorants, and makeup bases, among others.

Figure 3

KEY TRENDS IMPACTING U.S. CONSUMPTION
OF SPECIALTY RAW MATERIALS

- ❖ Increasing importance of baby boomer segment of U.S. population
- ❖ Changing ethnicity of U.S. population
- ❖ Increased popularity of products targeted at mitigating environmental effects on skin and hair
- ❖ Continued positive perception of “naturally derived” raw materials by consumers

THE REPORT

Timely and accurate information is a key requirement for consideration of many of the above issues. Kline’s authoritative and real-world analysis, **SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES USA 2000**, provides an in-depth examination of this very complex market and serves as a critical reference in answering the industry’s most challenging questions.

This analysis provides the critical market and competitive intelligence needed to formulate effective strategic and business plans, for suppliers that are already participating in this market as well as those that are contemplating market entry.

This foundation of information and insight will help facilitate the efficient allocation of financial, marketing, and manufacturing resources required for future business development, as shown in Figure 4.

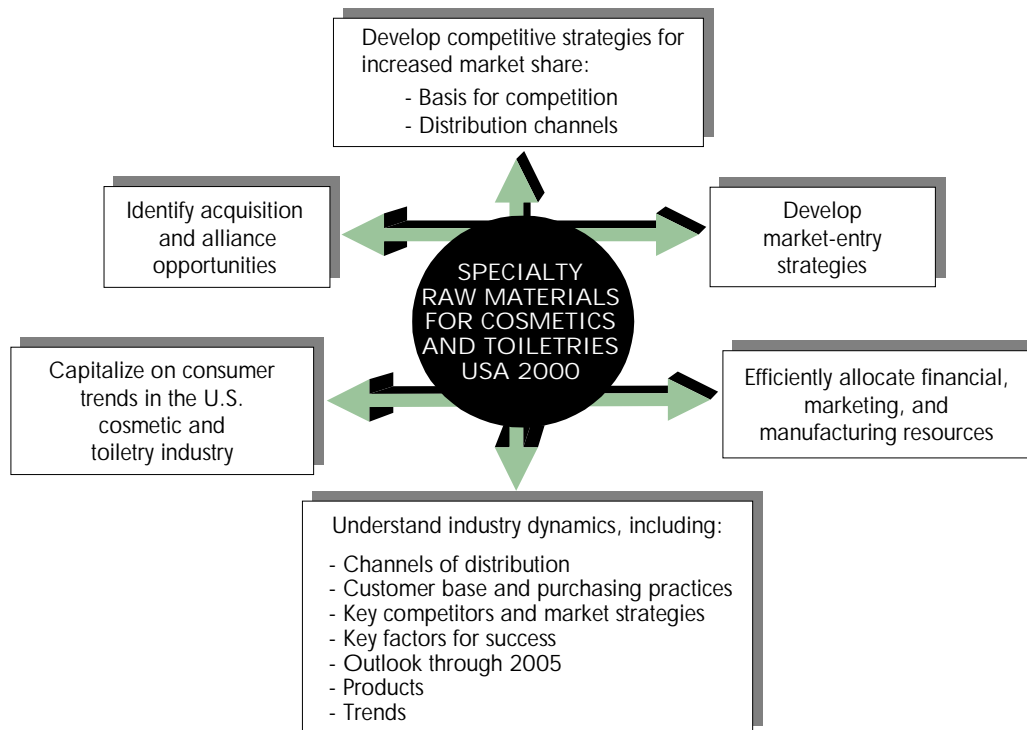
RESEARCH METHODOLOGY

Kline’s research approach places the greatest emphasis on primary research to ensure that the foundation of business intelligence and insight is accurate and current.

This report is based on a series of interviews with more than 90 persons at approximately 50 organizations throughout the United States, including consumers, distributors, contract manufacturers, suppliers, trade associations, and government agencies.

Figure 4

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES
USA 2000 - STUDY VALUE TO SUBSCRIBERS



All interviews were made during the period from May 2000 through May 2001. The report also draws on (1) suppliers' product literature; (2) a search of recent trade and technical literature; (3) an analysis of statistical data from government, trade association, and industry sources; and (4) non-confidential data from Kline's library and files.

SUBSCRIPTION TERMS AND PRIVILEGES

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES USA 2000 is available only by subscription.

In order to maximize its usefulness to each subscriber, the following privileges and services will be made available:

- **Access to the original call reports (except where information was provided on a confidential basis)**

- **One day of consultation with members of the survey team at Kline's offices in Little Falls, NJ, or Brussels, Belgium, to be used at the client's discretion within three months of receipt of the report**
- **The option of a hard copy or online versions of the report. Subscribers can elect to receive three hard copies of the report or, alternatively, the online version, which includes unlimited access to the report contents for members of the subscribing company via Kline's Web site, plus one hard copy. Additional hard copies will be made available for a nominal fee.**

Details regarding subscription options and rates are described in the attached subscription agreement. To subscribe now, please complete the enclosed subscription agreement and forward it to any of our offices. To obtain further information or more details regarding the study, or to arrange a meeting, please contact us at any of our global locations listed on the back cover.

KLINE'S CREDENTIALS

Established in 1959, Kline & Company is recognized around the world as one of the leading business consulting firms that

specializes in the chemical industry.

The company helps management solve practical problems in marketing strategies, acquisition and divestiture programs, and the appraisal of new technology. It provides clients with facts, forecasts, and recommended solutions to business problems, based solidly on the realities of the market as well as modern strategic principles.

Kline is unique in its ability to leverage the skills and synergies of our global Specialty Chemicals and Consumer practices to conduct this assignment. The company has developed an in-depth expertise in specialty raw materials for cosmetic and toiletry applications as well as "downstream" formulated products by tracking and analyzing the business for more than 15 years. **SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES USA 2000** follows the success of **SPECIALTY RAW MATERIALS USA 1996** and forms part of Kline's continuing global service analyzing the markets for specialty raw materials for cosmetic and toiletry applications. Subscribers will benefit from our past studies in this subject area, including such syndicated reports as:

- SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES WESTERN EUROPE 1998
 - SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES USA 1996
 - SPECIALTY SURFACTANTS
 - COSMETICS & TOILETRIES USA CONTINUING SERVICE
 - SALON HAIR CARE 1993
 - DIRECTORY OF COSMETIC AND TOILETRY INGREDIENTS
 - RETAIL ANALYSIS: WHERE AND HOW ARE BEAUTY PRODUCTS SOLD NOW AND THE FUTURE?
 - PURCHASING CHANNELS FOR COSMETICS AND TOILETRIES
 - INDUSTRIAL THICKENERS
 - INVESTMENT OPPORTUNITIES IN U.S. SPECIALTY CHEMICALS
 - BIOCIDES
 - COSMETIC ADDITIVES
 - SPECIALTY SURFACTANTS
 - THICKENERS
- In addition to this substantial library, Kline & Company has been commissioned to perform many proprietary studies involving specialty cosmetic and toiletry raw materials, including:
- OPPORTUNITIES IN SPECIALTY SURFACTANTS
 - COMMERCIAL DEVELOPMENT DETERMINATION OF A UV ABSORBER FOR COSMETIC AND TOILETRY APPLICATIONS
 - OPPORTUNITY IDENTIFICATION FOR SYNTHETIC THICKENERS IN COSMETICS AND TOILETRIES
 - ANALYSIS OF THE U.S. MARKET FOR COSMETIC CHEMICALS
 - IMAGE ANALYSIS OF COMPANY A

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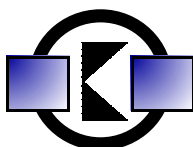
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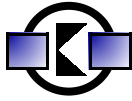
COMPANIES PROFILED IN SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES USA 2000

- 14A. Aqualon
- 14B. BASF Corporation
- 14C. BFGoodrich (Noveon, Inc.)
- 14D. Clariant
- 14E. Cognis
- 14F. Croda Inc.
- 14G. Dow Chemical (including Amerchol)
- 14H. Dow Corning
- 14I. Finetex
- 14J. GE Silicones
- 14K. Goldschmidt Chemical
- 14L. Imperial Chemicals Industries
(including National Starch, Quest, and Uniqema)
- 14M. International Specialty Products (ISP)
- 14N. Inolex Chemical Company
- 14O. Lipo Chemicals
- 14P. Rhodia, Inc.
- 14Q. RITA Corporation
- 14R. 3V Inc.
- 14S. Tri-K Industries

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THE KLINE GROUP

USA

KLINE & COMPANY, INC.
OVERLOOK AT GREAT NOTCH
150 CLOVE ROAD
PO BOX 410
LITTLE FALLS, NJ 07424-0410
TEL: (973) 435-6262
FAX: (973) 435-6291
E-mail: consult@klinegroup.com

EUROPE

KLINE EUROPE, S.A.
1 AVENUE GRIBAUMONT
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