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SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES WESTERN EUROPE 2002



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The Kline Group is pleased to announce the publication of its new syndicated analysis titled ***SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES WESTERN EUROPE 2002***, 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 \$1 billion in 2002, 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
- 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 18 specialty raw material suppliers

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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.

Western European consumption of specialty raw materials for cosmetics and toiletries is estimated at around \$1 billion in 2002. Specialty surfactants, emollients, and conditioning polymers are the three leading product categories that together account for over 75% of consumption value, as shown in Figure 1.

On a volume basis, skin care applications account for around 50% of total specialty raw material consumption, and hair care represents an additional 35%, as shown in Figure 2.

The supplier base for specialty raw materials for cosmetic and toiletry applications in Western Europe is complex and fragmented.

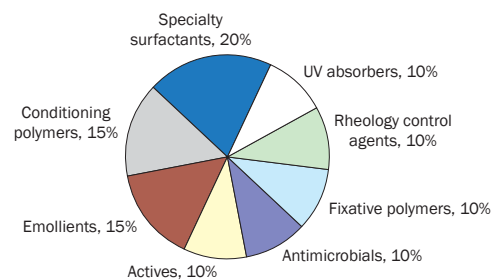
A wide variety of products is offered, and the supplier base is fragmented with upward of 35 companies participating. This competitive market is currently being impacted by a variety of external and internal factors, as illustrated in Figure 3, resulting in opportunities for current and new specialty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

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

- How can we compete successfully and profitably in the future market?
- How will customer expectations and purchasing criteria and practices change over the next five years?

Figure 1

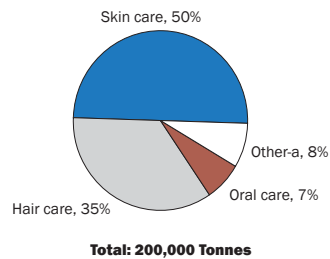
**ESTIMATED WESTERN EUROPE CONSUMPTION OF
SPECIALTY RAW MATERIALS FOR COSMETICS
AND TOILETRIES BY PRODUCT CATEGORY**



Total: \$1 Billion

Figure 2

ESTIMATED WESTERN EUROPEAN CONSUMPTION OF SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES BY APPLICATION



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

This report is based on a series of interviews with more than 100 persons at approximately 70 organizations throughout Western Europe, including consumers, distributors, contract manufacturers, suppliers, trade associations, and government agencies.

All interviews were made during the period from February 2002 through October 2002. 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 WESTERN EUROPE 2002 is available only by subscription.

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

- **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.

- 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?

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.

THE REPORT

Timely and accurate information is a key requirement for consideration of many of the above issues. Kline's authoritative analysis, **SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES WESTERN EUROPE 2002**, provides an in depth examination of this very

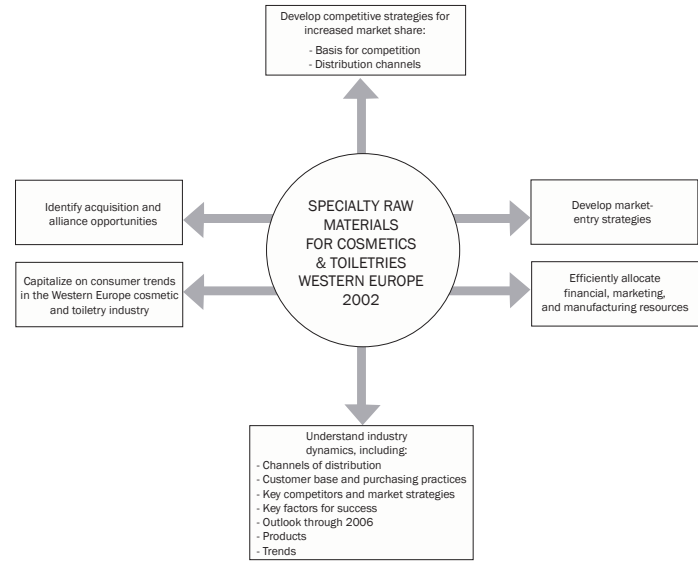
Figure 3

KEY TRENDS IMPACTING WESTERN EUROPEAN CONSUMPTION OF SPECIALTY RAW MATERIALS

- Increasing median age of the Western European population
- Increased popularity of products targeted at mitigating environmental effects on skin and hair, including anti-aging products
- Continued positive perception of “naturally derived” raw materials by consumers
- Greater demographic segmentation of the population by C&T marketers

Figure 4

STUDY VALE TO SUBSCRIBERS



- The **option of 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 online access to the report contents for members of the subscribing company, plus one hard copy. Additional 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:

Gillian Morris, Industry Manager - Chemicals, at 973-435-3432 or gillian_morris@klinegroup.com.

KLING'S CREDENTIALS

Established in 1959, Kline & Company is recognized around the world as one of the leading business consulting firms specializing in the chemical industry. The firm helps management solve practical problems in marketing strategies, acquisition and divestiture programs, and the appraisal of new technology. Kline 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 its global Chemicals and Consumer Products practices to conduct this assignment. The company has developed in-depth expertise in specialty raw materials for cosmetic and toiletry applications as well as “down-stream” formulated products by tracking and analyzing the business for more than 15 years.

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES WESTERN EUROPE 2002 is part of Kline’s continuing global service analyzing the markets for specialty raw materials for cosmetic and toiletry applications. Other companion reports cover Korea, China, Taiwan, Southeast Asia, Japan, and the United States.

SPECIALTY RAW MATERIALS FOR COSMETICS AND TOILETRIES WESTERN EUROPE 2002

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