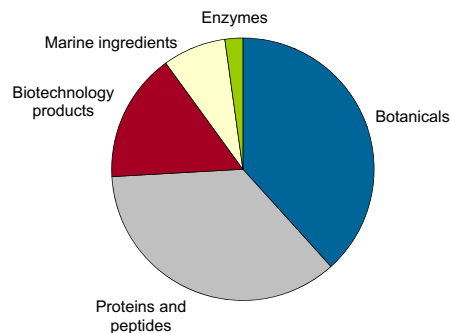


Specialty Actives in Personal Care 2011: U.S. Market Analysis and Opportunities

Fact Sheet

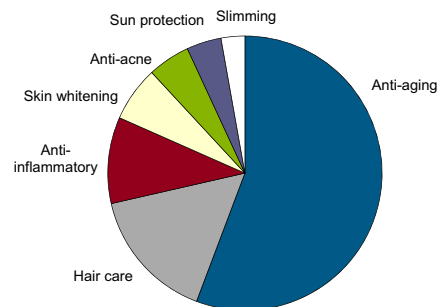
The Market

In 2010, the U.S. specialty actives market was valued at USD 239 million on a 100% active basis. Substantiated botanicals supported by claims of efficacy are the leading product segment both in terms of volume and value as a result of the natural trend in the market. The biotechnology products segment is also rapidly developing due to the ingredients' high efficacy and natural origin.



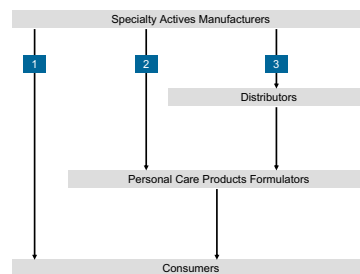
Functionalities

More than half of the specialty actives market is focused on anti-aging products that delay or lessen the effects of aging. Anti-aging is also the fastest growing functionality. Other functionalities include hair care, anti-inflammatory, skin whitening, anti-acne, sun protection, and slimming.



Competitive Landscape

Each category of active ingredients has a different number of leading competitors. Although due to recent acquisitions, BASF has established itself as the market leader. The majority of active ingredients suppliers to the United States do not in fact manufacture in the United States. The distribution structure for the industry is homogenous from segment to segment. Most specialty actives suppliers use a combination of direct sales and sales through distributors to reach their customers.



Future Outlook

The specialty actives market for personal care is expected to grow steadily at an average annual growth rate of about 3.8% on a value basis. The growth will be mainly driven by an increasing demand for efficacy and the natural trend. Botanical actives are expected to remain the largest category, and anti-aging is expected to remain the most popular functionality.

