

Cosmetics & Toiletries: Some key global trends



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Presentation Outline

- **World C&T market overview**
- **Regional cosmetics and toiletries trends**
- **Analysis of major markets and growth markets**
- **Focus: Eastern Europe**
- **Global product performance comparison**
- **Focus: Skin care, anti-cellulites**
- **Focus: Sun care**
- **Who are the market leaders?**
- **What can we expect in the next few years?**

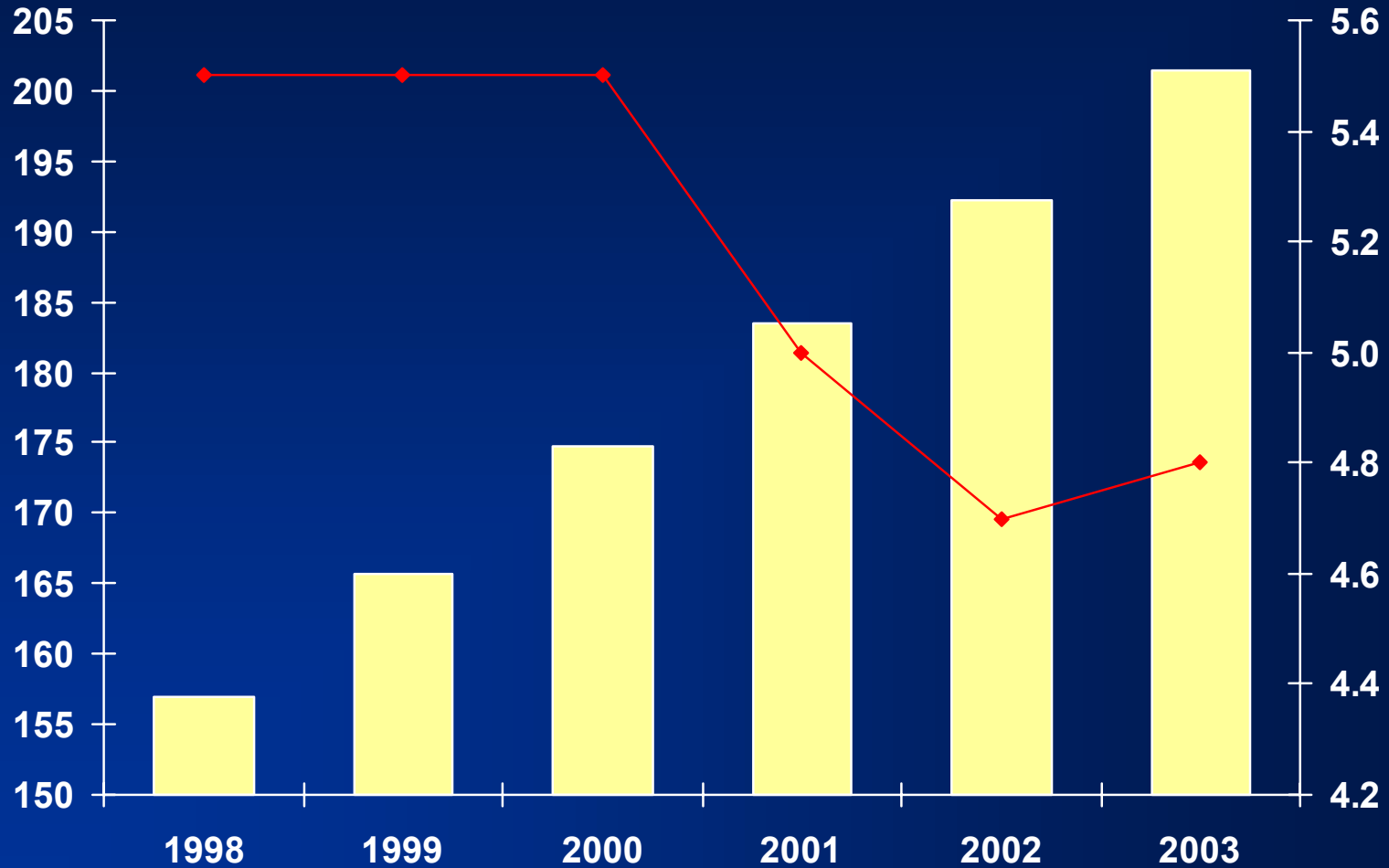
Integrated Marketing Information System (IMIS)

- **Research is conducted in 52 countries around the world**
- **Collectively, these countries account for 95% of global GDP**
- **Other countries are included on an estimated basis**
- **IMIS research uses standardised definitions in all countries**
- **In-country researchers add “primary market awareness”**
- **Sources include trade press, trade interviews, company analysis, industry associations, official statistics, local storechecks**

What does the C&T market include?

- Baby care
- Bath and shower products
- Deodorants
- Hair care
- Colour cosmetics
- Men's grooming products
- Oral hygiene
- Fragrance
- Skin care
- Sun care
- Depilatories

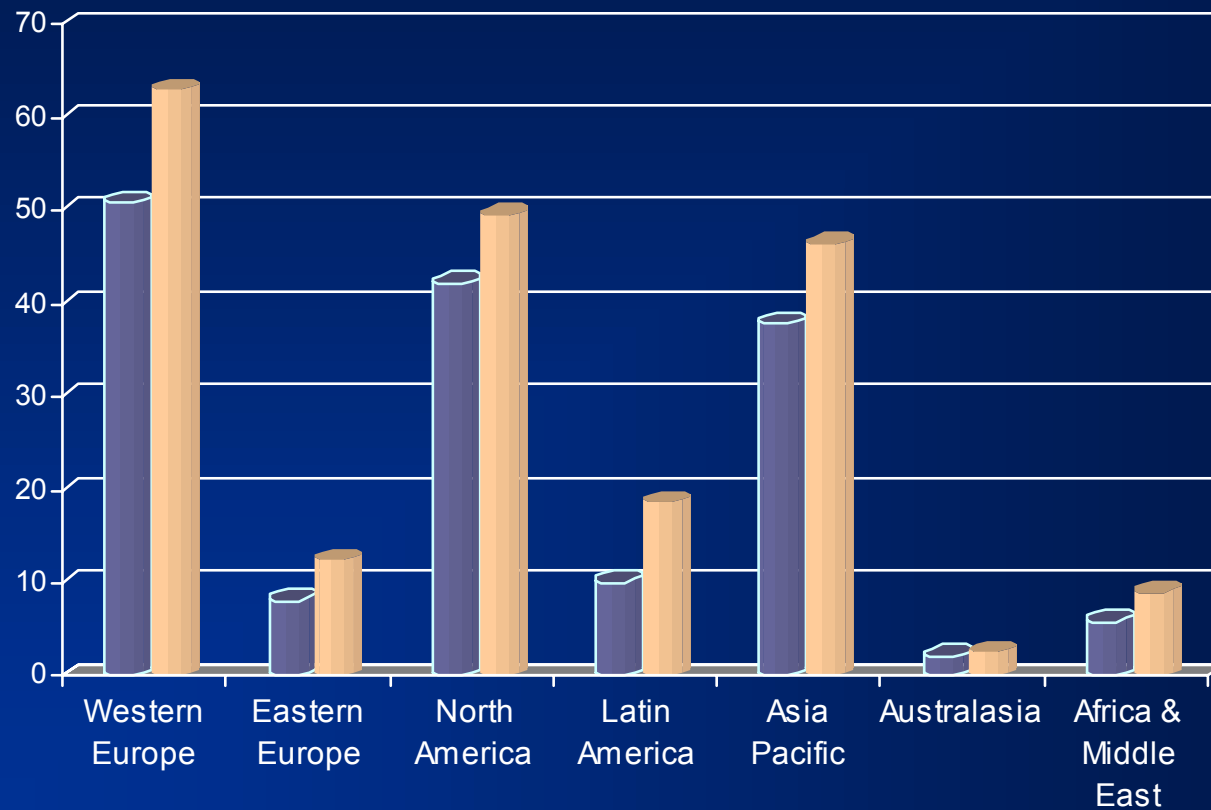
C&T sales rally as global economy recovers



US\$ billion (fixed fx)

% growth

Regional C&T performance



US\$ billion
(fixed fx)

1998 2003

The world's largest C&T markets in 2003 ...

	US\$bn	% vs 03	% vs 97
USA	45.4	0.7	24.3
Japan	21.9	3.2	8.1
France	12.1	5.0	33.6
Germany	11.6	1.4	22.8
UK	10.1	4.7	21.6
Italy	8.5	2.5	27.4
Brazil	7.3	12.2	113.7
China	6.0	7.8	63.2
Spain	5.7	5.6	56.7
Russia	5.3	14.3	31.3

The world's fastest growing C&T markets 2003 ...

% 2002-03

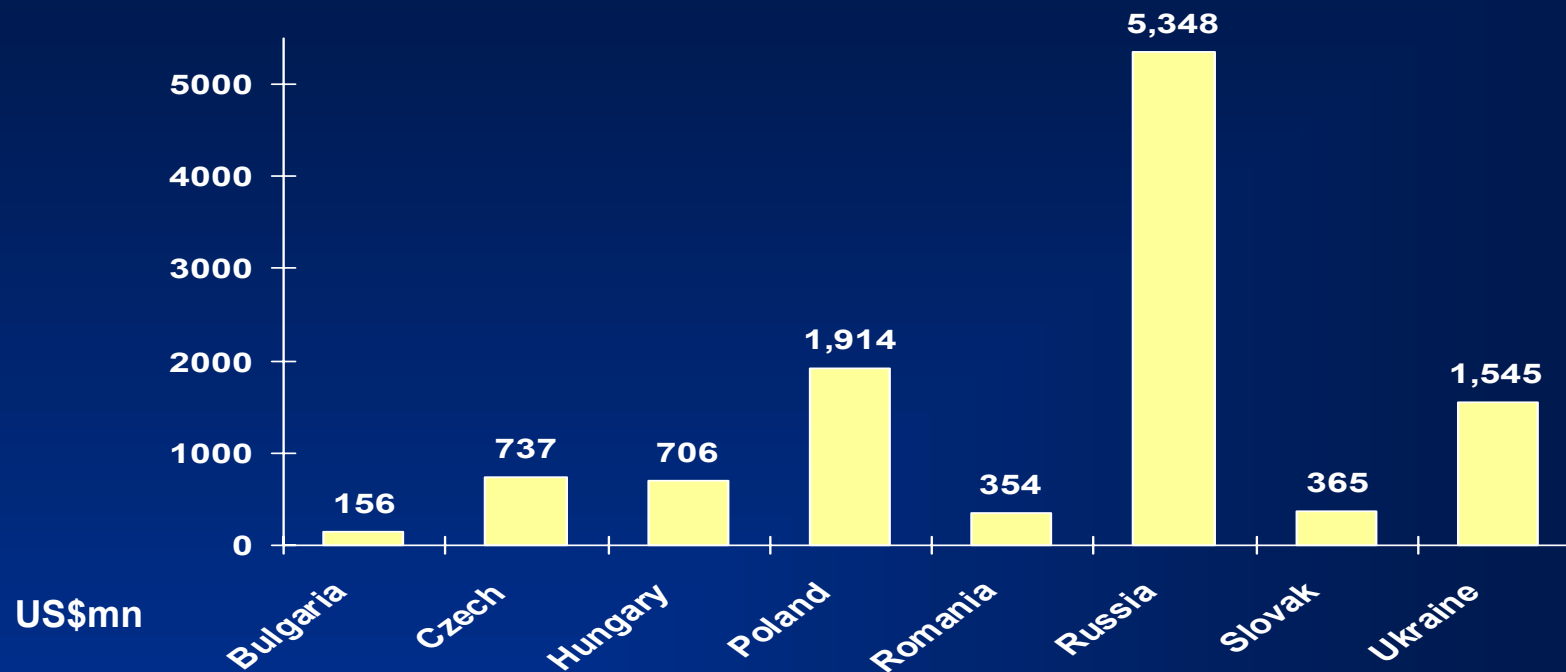
Venezuela	81.4
Ukraine	22.4
Vietnam	19.3
Argentina	18.2
Indonesia	16.9
Romania	15.8
South Africa	14.5
Russia	14.3
Hungary	13.3
Egypt	13.0

Focus: Eastern Europe



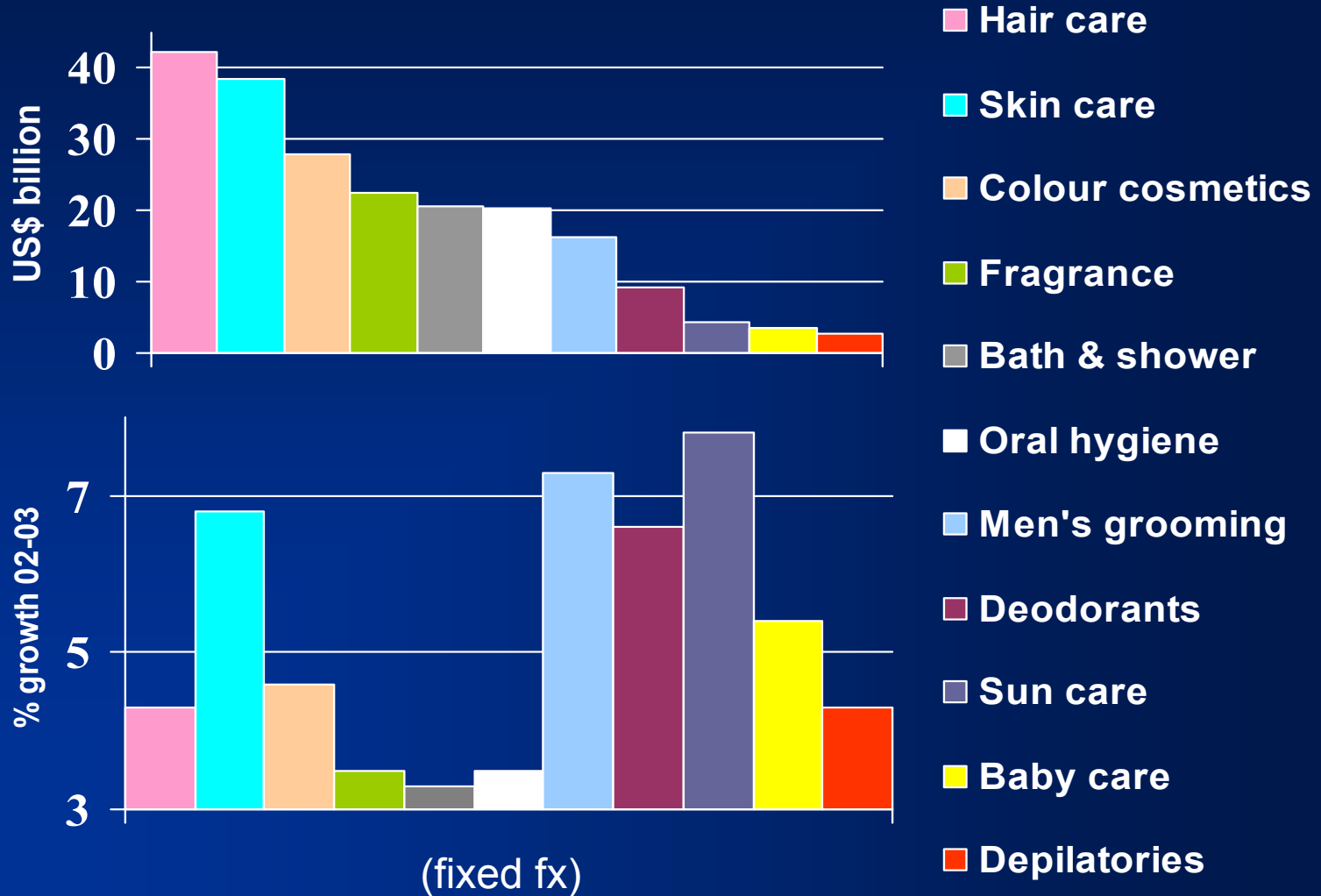
Second fastest growing region last year, up 11.6% to US\$12.5bn

Focus: Eastern Europe beckons ...



- Key players eye Eastern Europe as US and Western Europe struggle
- Skin care, colour cosmetics and fragrance = key growth products
- Ukraine, Romania and Russia = key growth countries

Global performance by product sector

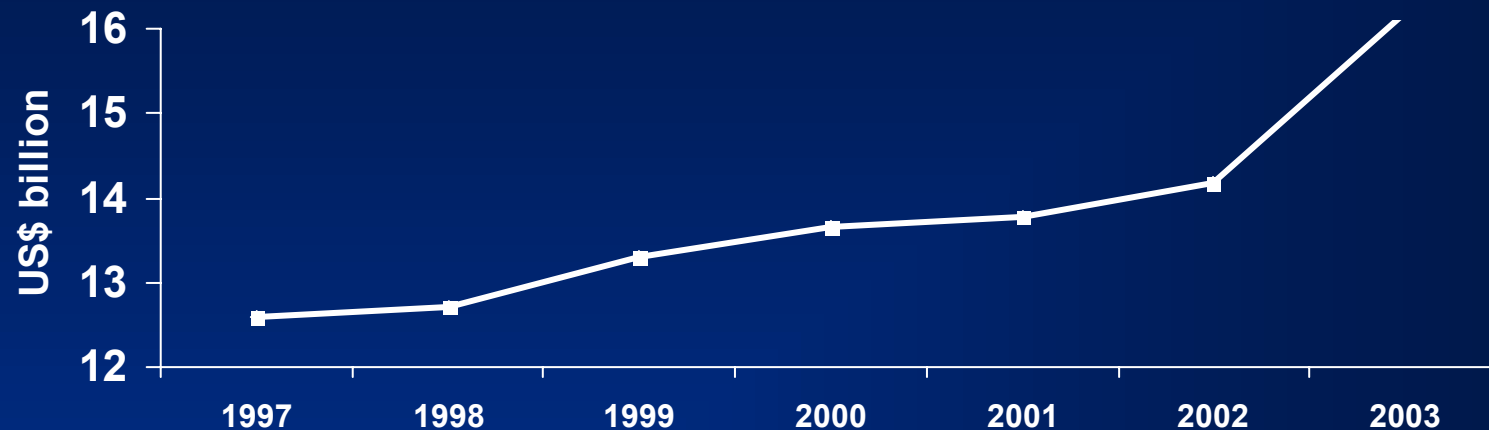


Focus: Skin care



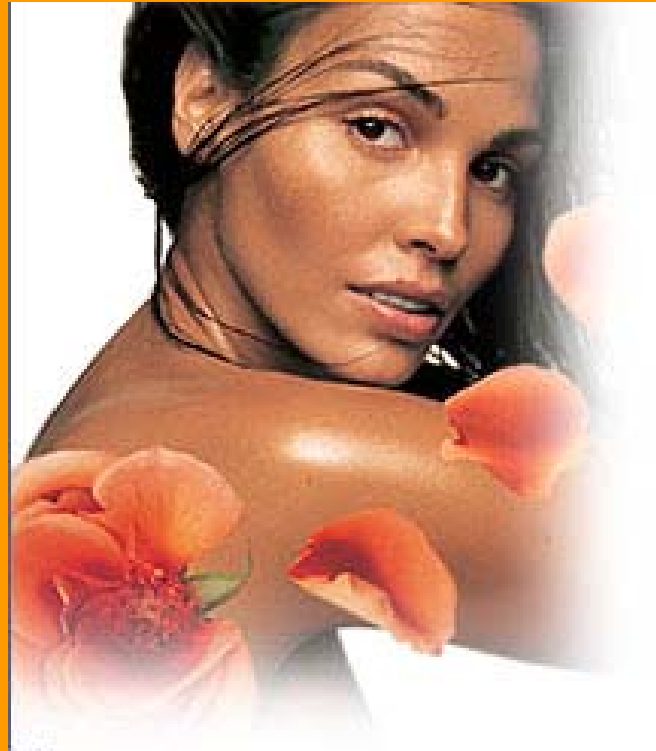
The star of C&T: Second largest sector and third fastest growth last year

Anti-cellulites: Firm growth



- Anti-ageing extends into body care ...
- Valued at \$1.2bn in 2003, +20% - fastest mover in C&T!
- ... Mass market innovations (eg Avon, Nivea) add value to sector

Focus: Sun care ...



Shining beautifully ... sun care grows quickest, +7.8% to 4.3bn

Sunny days here to stay?

- Fastest sector last year (+7.8%), but from still small base (US\$4.3bn)
- Sun protection scoops 81%, and grows 8.1%
- Technology and segmentation secure sun care growth
- Fake it! Self-tan strongest since 1997
- Penetration remains low - widening the consumer base is crucial
- 2004 - another bright year for sun care?

Global C&T rankings in 2003

- 1 L'Oréal
- 2 Procter & Gamble
- 3 Unilever Group
- 4 Colgate-Palmolive
- 5 Gillette
- 6 Estée Lauder
- 7 Beiersdorf
- 8 Avon
- 9 Shiseido
- 10 *Private label*
- 11 Johnson & Johnson

How will our industry evolve?

- Real term global sales expected to grow by 2.9% annually
- The rise and rise of upper mass
- Africa & Middle East and Eastern Europe will offset North America slowdown, but there's no room for complacency
- Polarised demographics = further segmentation
- Fast innovation and new retail concepts key to boosting all-important market penetration

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Q&A?

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