Annual report 08

Cosmetic industry and market in Italy 2008
June 2009 Edition

UNIPRO
Italian Association of cosmetic industries

COSMEXPORT
Italian Cosmetics Industry Promotion and Export Consortium

The cosmetics industry turnover

- In 2008, the Italian cosmetics industry turnover, i.e. the value of its production, totalled some 8,328 million Euros, with an increase of 0.7% over the previous financial year.
- Despite the substantial negative effects produced in all economies by the world financial crisis, this increase in production of cosmetics, however slight, was supported both by the domestic market and by export markets.
- In particular, domestic demand impacted positively on production volumes, increasing by 0.8% to a total value of more than 6,022 million Euros. If this domestic market consumption is broken down into turnover destinations, positive trends are found in some retail channels such as pharmacies (+3.8%) and mass organised distribution (+1.5%), but above all door-to-door sales (+5.5%), while negative trends were once again recorded by the professional channels (beauty salons and hairdressers), whose consumption fell by an average of 3.5%.
- It is significant that exports revived after a slowdown had been recorded in 2007. The increase in 2008 was 0.4%, to a value of a little over 2,305 million Euros. Although the trend is certainly still rather slow, it constitutes an important turnaround, especially since it took place in a year when demand was falling off in practically all markets.

COSMETICS INDUSTRY TURNOVER BY DISTRIBUTION CHANNEL

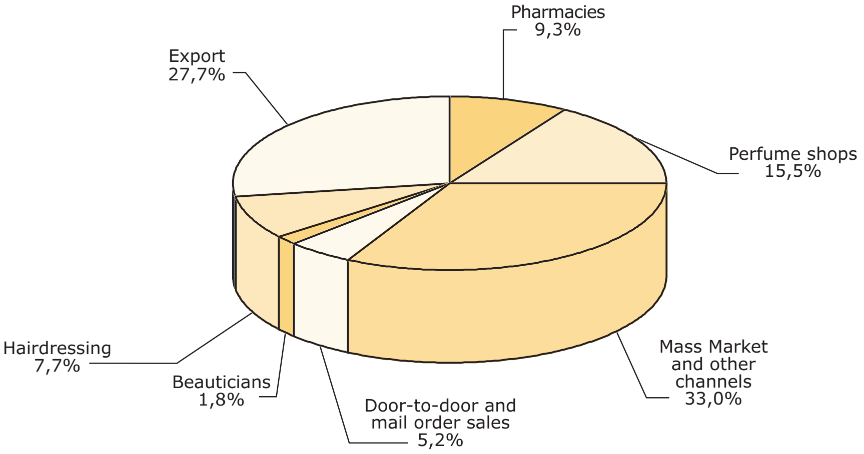
(Figures in millions of Euros)

	2007		2008	
	Value	% Var.	Value	% Var.
ITALIAN MARKET TURNOVER	**5.975,2**	2,4%	**6.022,8**	**0,8%**
Traditional channels:	**5.172,0**	**2,5%**	**5.248,0**	**1,5%**
– Pharmacy	742,9	8,5%	770,8	3,8%
– Perfume shop	1.306,4	3,0%	1.292,6	-1,1%
– Mass market and other channels (*)	2.712,4	1,1%	2.751,9	1,5%
– Door-to-door and mail order	410,3	0,7%	432,7	5,5%
Professional channels:	**803,20**	**1,6%**	**774,8**	**-3,5%**
– Beauty salon	139,30	2,1%	136,80	-1,8%
– Hairdressing	663,90	1,5%	638,0	-3,9%
EXPORTS	**2.296,8**	**1,0%**	**2.305,3**	**0,4%**
OVERALL COSMETICS INDUSTRY TURNOVER	**8.272,0**	**2,0%**	**8.328,1**	**0,7%**

*(*) Includes **Herbalist** Shops with a 2007 turnover of 158.6 million Euros and a 2008 turnover of 164,5 million Euros: an increase of 3.7%.*

- As far as the percentage shares of turnover are concerned, one third was accounted for by mass organised distribution, followed by perfume shops at 15.5% and pharmacies at 9.3%.
- The incidence of door-to-door and mail order sales was significant, as they together achieved a substantial market share of 5.2%.
- The fact that cosmetics firms' turnovers have held their own at a time when the economic situation is still very tense confirms on the one hand that the industrial system is healthy and enjoys a clear competitive edge, while also reiterating the suitability of the investment decisions made by those firms.
- That being said, however, the dynamics of development suffer the negative impact of the uncertainties that abound with regard to how economic support policies will evolve and of tensions in consumers' propensity to buy.

PERCENTAGE SHARES OF GROSS DOMESTIC TURNOVER BY CHANNELS OF DISTRIBUTION



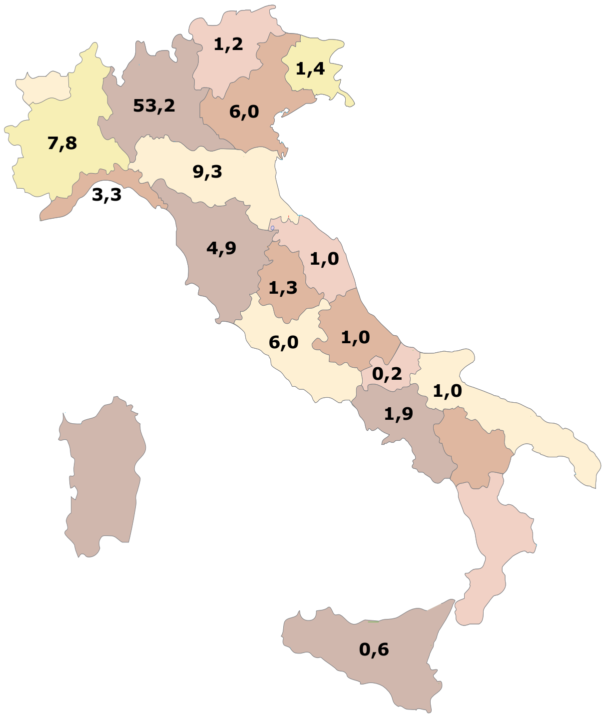
The Cosmetics Industry in Italy by Geographical Regions

- The **geographical picture** of cosmetics firms in Italy demonstrates an evident concentration in the centre-north.
- In Lombardy, the concentration is so high that the region accounts for more than 53% of the national total, followed by Emilia Romagna with 9.3% and Piedmont with 7.8%.
- There are no industrial facilities at all in Sardinia, Calabria and Basilicata.
- The situation is almost identical with regard to the **distribution of employees**: nearly 83% of them are located in the north, including a peak of 51.5% in Lombardy.
- A breakdown of **exports** from firms on the basis of their geographical areas shows that the 2008 figures are distributed according to the traditional Nielsen areas.
- The regions of north-western Italy export more than 1,457 million Euros, accounting for 63.2% of all Italian cosmetics exports. The regions of the north-east account for nearly 14.7%, while the rest of the country shares the remaining 22%.

GEOGRAFICAL DISTRIBUTION OF COSMETICS BUSINESSES

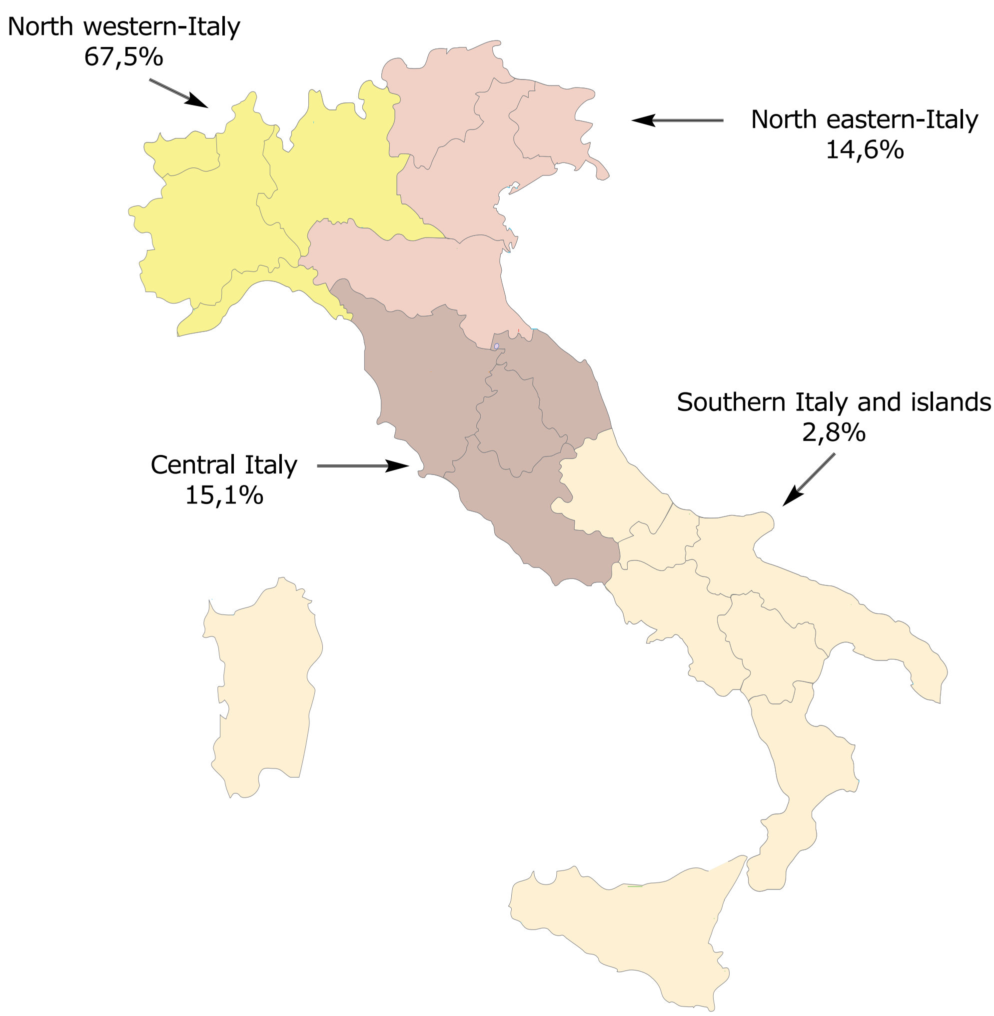
(by percentage)

ABRUZZO	1,0%
CAMPANIA	1,9%
EMILIA ROMAGNA	9,3%
FRIULI VENEZIA GIULIA	1,4%
LAZIO	6,0%
LIGURIA	3,3%
LOMBARDIA	53,2%
MARCHE	1,0%
MOLISE	0,2%
PIEMONTE	7,8%
PUGLIA	1,0%
SICILIA	0,6%
TOSCANA	4,9%
TRENTINO ALTO ADIGE	1,2%
UMBRIA	1,4%
VENETO	6,0%
TOTAL	**100%**



DISTRIBUTION OF EMPLOYEES IN THE COSMETICS INDUSTRY

(by percentage)



Istat data processed by Unipro Economic and Statistical research

ITALIAN EXPORTS BY GEOGRAPHICAL REGION OF ORIGIN

(Thousands of euro)

	2007	2008	Var. %
North western-Italy	1.467.491	1.457.528	-0,7%
North eastern-Italy	365.199	338.634	-7,3%
Central Italy	406.362	444.138	9,3%
Southern Italy and islands	57.697	64.983	12,6%
TOTAL	**2.296.749**	**2.305.283**	**0,4%**

ISTAT data processed by Unipro Economic and Statistical research

Channels of distribution

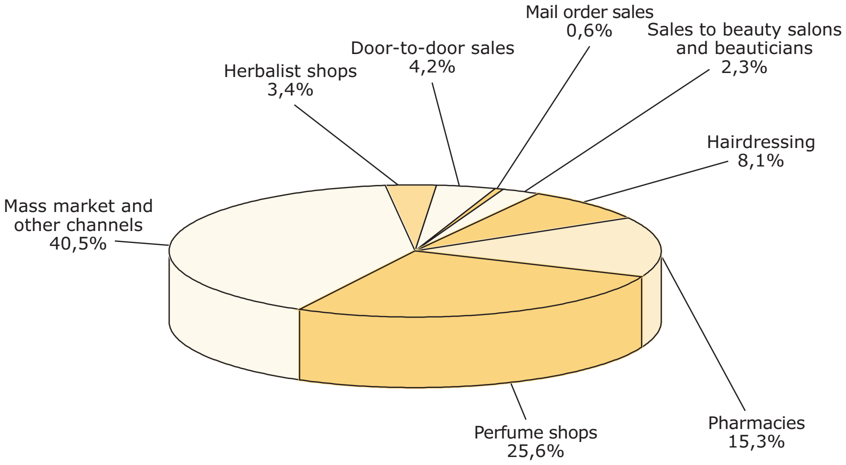
- In 2008, consumption of cosmetics in Italy exceeded 9,070 million Euros, increasing at a rate of 0.8% over the previous year. Despite the economic climate worldwide, Italy's domestic consumption of cosmetics was once again underpinned by consumers' diversified approaches to the market, featuring a tendency to buy increasingly specific, selective product types whose development now appears to be all but inevitable.
- The evolutionary approach to cosmetics consumption confirms the gradual changeover from personal hygiene, now consolidated and well-entrenched in everyday usage habits, to personal care and wellness.
- Consumption was up through practically all sales channels, with the exception of the perfume shop, where it fell by 1.1%.
- Once again, the pharmacy was the channel that recorded the most dynamic trend, growing by 3.8%, followed by herbalist shops, up by 3.7%, and door-to-door sales, up by 6%: although these account for a marginal market share, at just over 4%, they now constitute a consolidated phenomenon.

TOTAL ITALIAN COSMETIC MARKET IN 2008

Consumption in millions of Euros – Retail prices, including VAT

		% Var. 2008
Total sector	**9.072,7**	0,8%
Pharmacies	**1.387,5**	3,8%
Perfume shops	**2.326,7**	-1,1%
Mass market and other channels	**3.677,5**	1,3%
Herbalist shops	**312,7**	3,7%
Door-to-door sales	**376,7**	6,0%
Mail order sales	**56,0**	2,0%
Sales to beauty salons and beauticians	**205,2**	-1,8%
Hairdressing	**730,5**	-3,9%

PERCENTAGE SHARE OF CONSUMPTION BY DISTRIBUTION CHANNEL IN 2008



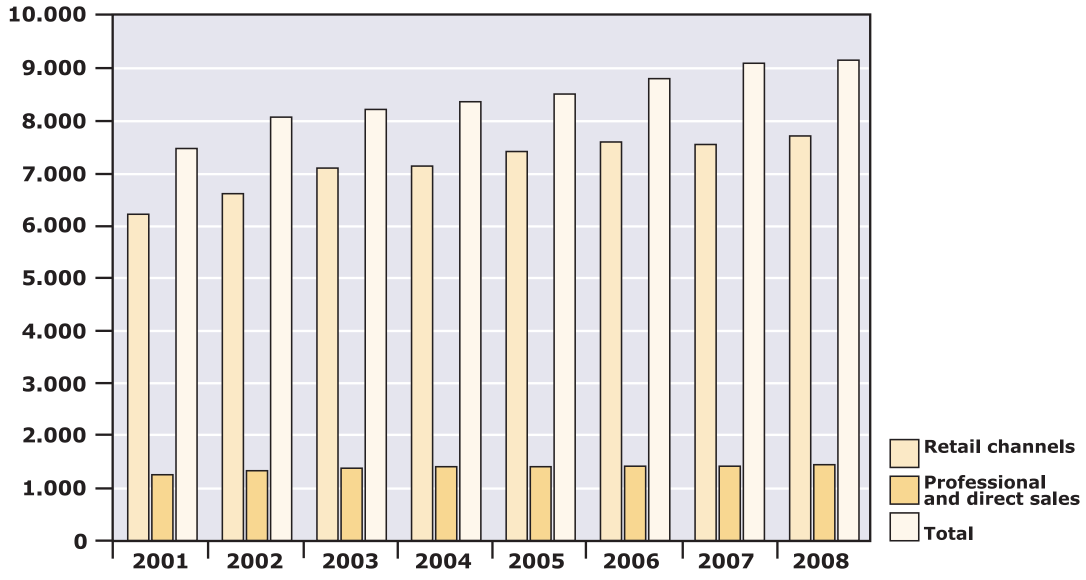
- Mass organised distribution held its own well in 2008, growing by 1.3%: accounting for more than 40% of the market for cosmetics, this channel succeeded in responding to the tensions at work on consumption with a keen ability to react in terms of promotions and range optimisation.
- The prices commanded by cosmetics developed in line with the levels from previous financial years, increasing by 2.5% in 2008. They were up by 6% in perfume shops, while they were more stable in pharmacies, rising by only 1.5%. With a growth rate of 1.1%, price rises in the professional channels were below average.
- With the exception of the slowdown recorded in 2005, domestic consumption of cosmetics in Italy has been increasing constantly for more than a decade, with growth rates increasingly more dynamic than those at work in other sectors of personal consumer goods and in any case with trends that do not follow average patterns.

TRENDS IN THE COSMETICS INDUSTRY BY DISTRIBUTION CHANNELS

DISTRIBUTION CHANNELS	PERCENTAGE VARIATION 2008/2007		
	Consumption	Quantity	Prices
Pharmacies	3,8%	2,2%	1,5%
Perfume shops	-1,1%	-6,7%	6,0%
Other channels	1,5%	0,3%	1,2%
Of which supermarkets and hypermarkets	1,1%	0,1%	1,0%
Total traditional channels	**1,1%**	**-1,6%**	**2,7%**
Door-to-door and mail order sales	6,0%	3,6%	2,3%
Sales to beauty salons and beauticians	2,0%	0,0%	2,0%
Professional products consumed in hairdressing salons	-1,8%	-3,1%	1,3%
Hairdressing	-3,9%	-4,8%	0,9%
Overall total	**0,8%**	**-1,7%**	**2,5%**

THE EVOLUTION IN COSMETICS CONSUMPTION IN THE PERIOD 2001 - 2008

Real values, retail prices, including VAT



THE PHARMACY

- In 2008, this channel grew by 3.8%: not one of the highest rates of growth in value in the recent years, but certainly the most dynamic performance achieved in 2008, compared to perfume shops and mass organised distribution.
- Achieving a value of more than 1,380 million Euros, the pharmacy channel accounts for 15.3% of cosmetics consumption in Italy; this makes it the third channel after mass organised distribution and perfumes shops.
- The quantity figures are also increasing at about the same rate, up by 2.2% and confirming a very dynamic trend that has had a limited impact on prices, which were up by 1.5%.
- Surveys recently commissioned by the association also confirm that the buying options that have induced consumers to favour the pharmacy channel are attributable both to the degree of specialisation of service and to the range of products on offer, which is always very alert to quality, to product innovation and to diversification.

THE PERFUME SHOP

- In 2008, sales through the selective perfume shop channel recorded a contraction of 1.1% compared to the previous year, to a market value of more than 2,320 million Euros, accounting for 25.6% of the entire domestic cosmetics market.
- Although there is still evidence of an irregular situation with regard to distribution, featuring at one extreme large distribution chains that achieve some very dynamic performances in terms of product range policies, the causes for concern that assailed previous financial years, leading at the other extreme to the closure of numerous points of sale, seem to be mitigated.
- Obvious tensions are still at work with regard to medium-term solidity, partly because of competition from other channels and partly because of the difficulties encountered in some of the branches of this channel in promoting the right sort of identity for the channel as a whole.
- The channel’s future is likely to depend on businesses’ ability to develop channel identity strategies that also succeed in taking the profound changes in consumers into account.

MASS ORGANISED DISTRIBUTION AND OTHER CHANNELS

- Achieving a turnover of more than 3,670 million Euros in 2008, mass organised distribution, or the mass market, accounted for 40.5% of the entire Italian domestic cosmetics market, increasing at a rate of 1.3% last year.
- This figure is also maintained if retail in supermarkets and hypermarkets is taken into account, as consumption increased by 1.1% and prices by 1.0%.
- There is clear evidence that the phenomenon of polarisation of consumption that features across the Italian cosmetics market as a whole is also at work in mass organised distribution. In fact, all indications are that demand tends to be focusing above all on specialised and niche products, on the one hand, and on products with a good quality-to-price ratio on the other.
- In order to sustain demand and counteract the effect of competition from the specialised channels, businesses operating in the mass market have made some important investments not only in product innovation, but also in communications and promotions.
- The revival could also be further supported by the new forms of distribution that specialise in the home and personal care channel.

DIRECT SALES CHANNELS

- Door-to-door and mail order sales are the two methods that come under the heading of the channel of sales direct to the consumer: in 2008, this market recorded a rather sustained increase compared to the previous year, with a value in excess of 430 million Euros that accounted for 4.7% of the entire domestic cosmetics market.
- Although the trends were positive for both sub-sectors, they were not parallel: while door-to-door sales increased by 6%, to a value of more than 375 million Euros, mail order sales increased by a more modest 2% to a total value of 56 million Euros.
- These trends are influenced by the changes in buying habits among consumers, who are beginning to be less wary of buying without assistance.
- There is clear evidence of an upsurge in **Internet sales**: recent surveys indicate that sales were up by 15%, although the volumes are still not very significant. At the same time, however, the use of the web as a communications and information channel is becoming increasingly important.

BEAUTY CENTRES

- The cosmetics sold in beauty centres and salons account for 2.2% of the total domestic market, with a value of nearly 205 million Euros, although that value was down by 1.8% in 2008.
- The reduction in quantity terms was greater, with a drop of 3.1%, while the rate of price variation, increasing by 1.3%, was lower than the industry average.
- Any analysis of the dynamics at work in this channel is necessarily subject to the difficulties involved in evaluating the impact of several important emerging phenomena, such as spa centres and wellness centres, which are certainly destined to account for increasingly substantial shares of the cosmetics market with a professional beauty connotation in future.

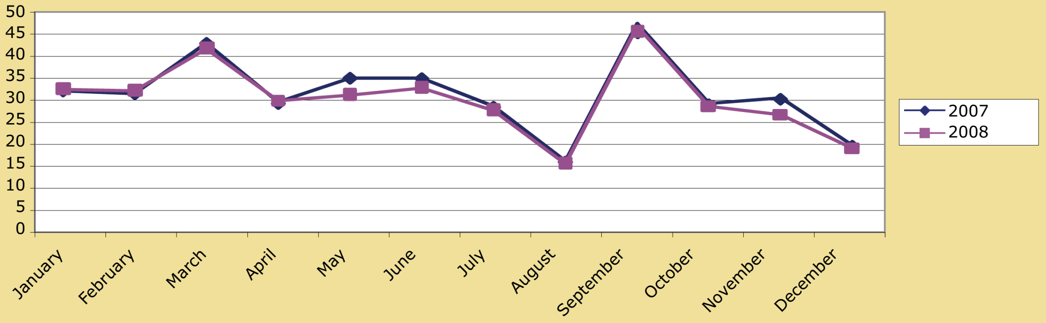
HERBALIST SHOPS

- In 2008, the value of sales through herbalist shops was more than 310 million Euros and increased at a rate of 3.7%, in line with the significant dynamics at work on the consumption of herbal products in the course of the last ten years. The herbalist shop channel accounts for 3.4% of the entire Italian domestic cosmetics market.
- As in the case of sales of cosmetics through the pharmacy channel, sales through the herbalist shop channel confirm the choices being made by those categories of consumers who prefer to be assisted and advised when making their acquisitions.
- In addition, there is an unmistakeable increase in the environmental approach and awareness of products with biologically natural connotations that find their logical partners in herbalists shops.
- There is also a marked increase in the phenomenon of the specialised corner and the opening of new points of sale, confirming the evolution of these dynamics.

HAIRDRESSING SALONS

- Compared to the previous year, the consumption of cosmetics through the hairdressing salon channel suffered a drop of 3,2% in the net value of turnover in 2008, to a total value of just over 730 million Euros.
- The value of this market includes both those products that are used in providing the hairdressing service and so sold in the salon and those products that are sold and used outside the salon. The latter account for about 15% of total sales.
- As the quantities sold fell by 4.8%, their reduction was even more marked and was only partly counterbalanced by a 0.9% increase in prices.
- A comparison with the monthly trends in 2007 and 2008 confirms that consumption in this channel is subject to seasonal variation and is not moving away from its traditional positive peaks (in March and September) and negative troughs (in August and December).

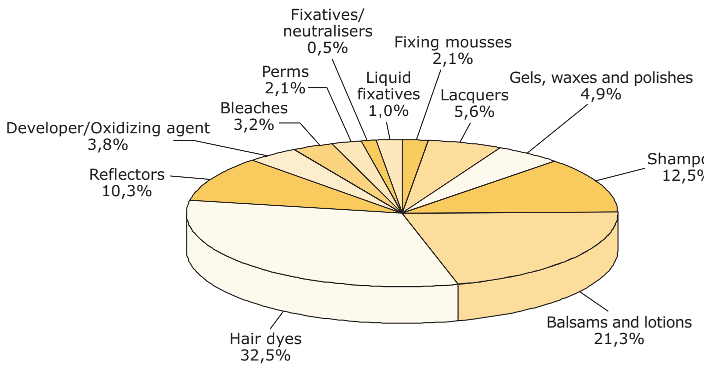
Monthly trends in sales by value
(in millions of millimetres)



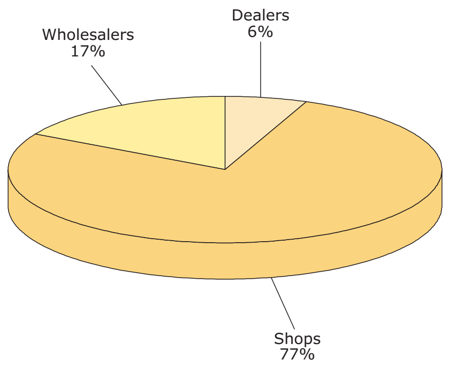
- The greatest reductions in product volumes are found in the following families: balsams, creams and conditioners without rinse; dyes, developers and oxidisers; gels, waxes and polishes.
- Consumption in quantity terms passed from 12,200 million ml in 2007 to 11,600 million ml in 2008.

Market composition

- According to the information compiled by Marketing e Telematica, firms put professional products with a gross value of about 365,488 million Euros into this channel in 2008. This figure breaks down as follows:



- The main sales channel for firms to hairdressers is direct (accounting for 77% of sell-in). Wholesalers (there are about 600 in Italy) distribute 17% of products by net value.



Regional classification of expenditure on personal care products

- The picture of cosmetic consumption by geographical areas registers the highest concentration in the area of northern Italy: 29.5% for sales of products for personal care and 30.6% for sales through professional channels
- Lombardy occupies first place in terms of consumption, with a share of more than 19% of the total, followed by Latium, whose share is nearly 9%.
- Consumption is the south of Italy and the islands is more sustained than in other sectors, accounting for more than 31% of the entire Italian cosmetics market.

ABSOLUTE CONSUMPTION BY REGIONS - PERCENTAGE DISTRIBUTION

	Products for personal care	Barbers, hairdressers, beauty salons
ABRUZZO	2,4%	2,1%
BASILICATA	0,9%	0,8%
CALABRIA	2,9%	2,5%
CAMPANIA	8,5%	7,2%
EMILIA ROMAGNA	7,8%	8,7%
FRIULI VENEZIA GIULIA	1,9%	2,1%
LAZIO	9,2%	9,4%
LIGURIA	2,6%	2,8%
LOMBARDIA	18,2%	19,8%
MARCHE	2,4%	2,5%
MOLISE	0,6%	0,5%
PIEMONTE	7,8%	8,5%
PUGLIA	6,7%	5,7%
SARDEGNA	3,0%	2,5%
SICILIA	6,8%	5,6%
TOSCANA	6,3%	6,4%
TRENTINO ALTO ADIGE	1,7%	1,8%
UMBRIA	1,5%	1,5%
VALLE D'AOSTA	0,3%	0,2%
VENETO	8,5%	9,5%
TOTAL	**100%**	**100%**

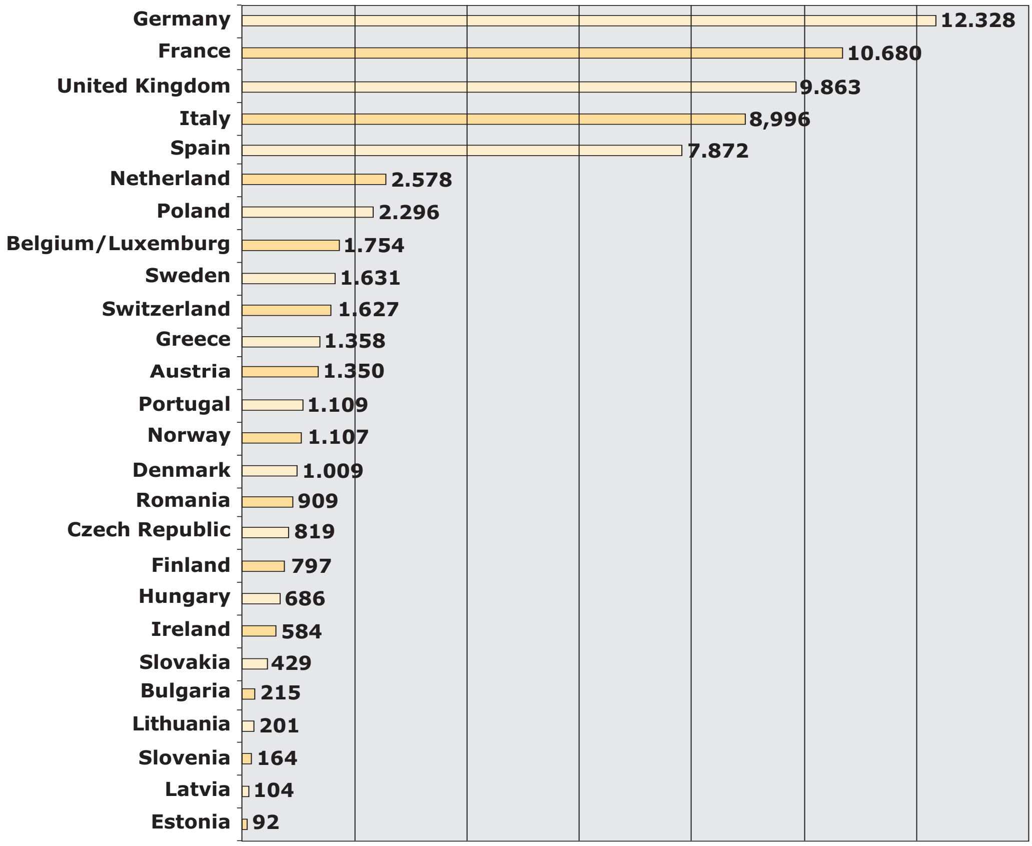
ISTAT data processed by Unipro Economic and Statistical research

Cosmetics in Europe

- The figures provided by Colipa relative to cosmetic consumption in 2006 confirm the primacy of Germany, whose 11,700 million Euros account for 18.7% of all consumption in Europe. The next country is France, with 11,440 million Euros and a share of 16.7%, and the United Kingdom, with almost 10,000 million Euros and a share of 15.9%.
- The top five countries (remembering that Italy's consumption puts it fourth in the table with a share of 14%) together account for more than 77% of the entire market.

EUROPEAN CONSUMPTION

(Millions of Euros - Consumer prices)

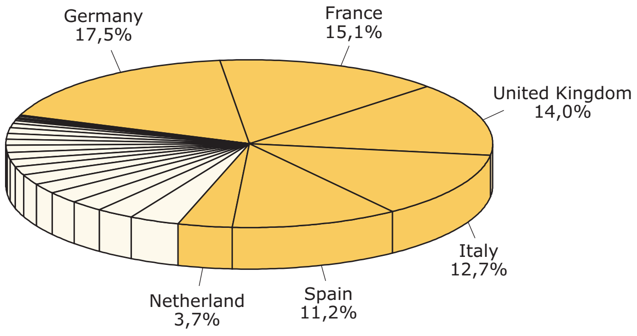


Source: Colipa, 2007

- The **products** that sell best in Europe are the ones used for skincare, which account for 25.7% of the cosmetics market, followed by haircare products, which cover 23.7%, and toiletries, whose share is 23.4%.
- The European market is the world's largest, worth a total of more than 36,800 million Euros, which increase to 38,300 if all the countries in the enlarged European Union are included in the calculations. The second largest market is the USA, which is worth 27,600 million Euros, and the third is Japan, worth 11,900 million Euros.

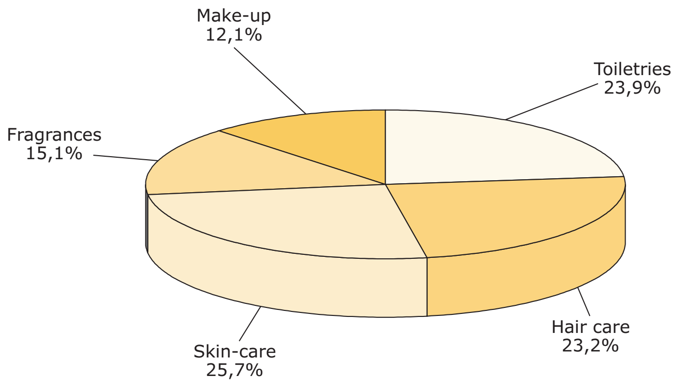
COUNTRY SHARES (%)

Estonia 0,1%
Latvia 0,1%
Slovenia 0,2%
Lithuania 0,3%
Bulgaria 0,3%
Slovakia 0,6%
Ireland 0,8%
Hungary 1,0%
Finland 1,1%
Rep. Czech 1,2%
Rumania 1,3%
Denmark 1,4%
Norway 1,6%
Portugal 1,6%
Austria 1,9%
Greece 1,9%
Switzerland 2,3%
Sweden 2,3%
Belgium/Luxemburg 2,5%
Poland 3,3%



Source: Colipa, 2007

MARKET SHARE BY PRODUCT CATEGORY

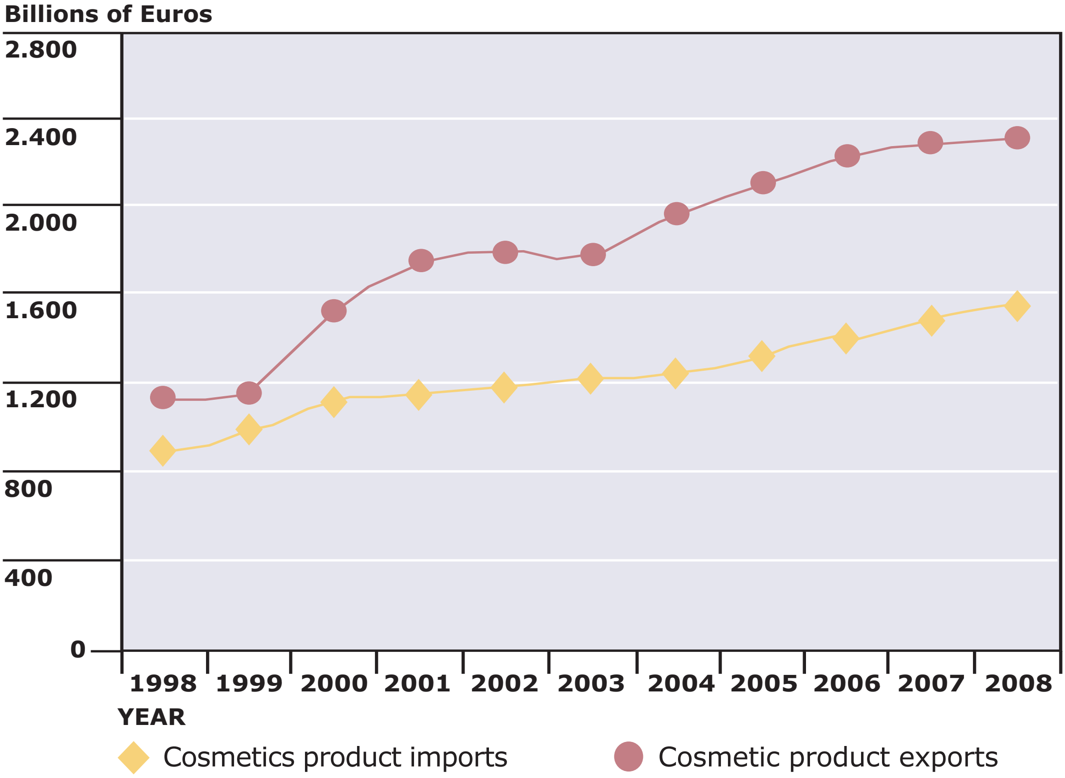


Source: Colipa, 2007

Imports and exports

- The analysis of foreign trade data is based on the statistics that the Study Centre elaborates every year, starting from the data supplied by the Italian national statistics institute Istat. Every year, Istat revises the previous financial year's statistics, applying the corrections whose effect is felt also during the actual period of data detection: it therefore follows that the statistics elaborated by Unipro are in line with the values of the financial years in question. With rare exceptions, in any case, the value of any deviations is always marginal.
- In 2008, exports started growing again after dropping off slightly in 2007. The value of Italian cosmetics exported broke through the 2,300 million Euro barrier, although growth was quite modest at +0.4%. In terms of quantity data, there was a 2.0% contraction in exports, which compares favourably with previous years.
- The growth of imports was more dynamic: they were up by 3.2% over the previous year to a total value of 1,563 million Euros.
- The balance of trade confirms the trend that started in 1995, when the value of cosmetics exports first exceeded the value of imports. In 2008, the balance of payments surplus was nearly 740 million Euros: a value that very few manufacturing sectors in Italy manage to achieve.
- While cosmetics exports from Italy in 2007 suffered the effect of the depreciation of the US dollar against the Euro and the weakening of several foreign markets, in 2008 the international financial crisis risked slowing foreign demand down even further. Slight as it may be, however, the revival experienced confirms the quality of Italian production, which is capable of generating competitive values based on service, on the safety of its formulations and on constant product innovation.
- In 2008, the ratio of export to total turnover touched 27.6%, a value that is still very

TREND IN THE BALANCE OF TRADE



ISTAT data processed by Unipro Economic and Statistical research

low in terms of confirming the cosmetics industry's propensity to processes of internationalisation, but significant in terms of prospects and opportunities for development on international markets.

- The types of products that underpinned the increase in exports in 2008 were led by shampoos and other haircare products, whose total volume of more than 350 million Euros translates into a growth of 5.4%, while an important degree of growth was also registered by deodorants, which were up by 19.7%, but above all by lip and eye make-up products, which increased by 12.7% to a value of 270 million Euros. Vigorous growth of 27.5% also came from nailcare products, although their total value was still only just over 9 million Euros. On the other side of the equation, contractions were registered by creams and products for bodycare, down by 9.9% to a value of just over 465 million Euros, and toilet soaps, down by 1.3% to a value of more than 121 million Euros.
- Important signs are coming from sales of more specific products, such as lacquers, whose value of 23 million Euros is more than double that registered in 2007, and from preparations for oral hygiene, whose sales exceeded 30 million Euros in value, no less than five times the figures achieved in the previous year.
- Another sector suffering a slight downturn was perfumes and toilet waters, down by 1.9%, although the total value sold still surpassed 600 million Euros. A more substantial drop was felt by bath preparations, down by 7.1% to a total of over 77 million Euros exported.
- On the side of imports, the most significant products were creams, up by 5.4% to over 531 million Euros, and other haircare products, up by 2.5% to a value of 145 million Euros.

FINISHED AND SEMI-PROCESSED PRODUCT EXPORTS

(January - December 2007 - 2008)

EXPORTS	QUANTITIES (Tonnes)			VALUE (thousands of Euros)		
	2007	2008	% VAR.	2007	2008	% VAR.
Shampoos	44.068,0	48.051,0	9,0%	87.086,5	96.143,2	10,4%
Preparations for hair	2.013,5	1.716,9	-14,7%	9.164,9	7.343,7	-19,9%
Lacquers	4.543,8	8.657,9	90,5%	11.141,8	23.002,4	106,5%
Hair lotions	1.714,2	3.304,8	92,8%	11.352,5	15.723,6	38,5%
Other haircare products	47.811,6	48.860,2	2,2%	246.397,7	255.496,8	3,7%
Loose and compact powders	3.752,6	4.289,8	14,3%	103.476,3	117.053,9	13,1%
Creams and other products	64.025,7	53.085,2	-17,1%	516.225,1	465.135,9	-9,9%
Lip make-up products	2.914,5	3.711,8	27,4%	89.540,7	113.483,2	26,7%
Eye make-up products	4.495,4	3.820,4	-15,0%	150.030,6	156.352,2	4,2%
Nailcare products	1.709,6	838,1	-51,0%	7.435,9	9.478,8	27,5%
Toilet soaps	78.758,2	71.341,0	-9,4%	122.716,4	121.091,9	-1,3%
Bath preparations	38.619,2	34.817,5	-9,8%	83.208,4	77.295,6	-7,1%
Personal deodorants	10.509,5	12.400,7	18,0%	55.624,5	66.579,5	19,7%
Toothpastes	14.722,4	3.450,1	-76,6%	47.503,7	13.884,0	-70,8%
Other oral hygiene products	1.424,2	12.622,3	786,3%	6.828,7	30.269,1	343,3%
Beard, pre- and after-shave products	11.321,2	11.628,4	2,7%	40.729,9	39.403,4	-3,3%
Perfumes and eaux de parfum	6.013,5	7.051,1	17,3%	184.129,1	178.483,2	-3,1%
Eaux de toilettes and colognes	14.678,5	15.931,0	8,5%	427.613,5	421.719,7	-1,4%
Other perfume and toiletry products	21.941,3	21.949,0	0,0%	96.543,4	97.342,7	0,8%
TOTAL EXPORTS	**375.036,9**	**367.527,2**	**-2,0%**	**2.296.749,6**	**2.305.282,8**	**0,4%**

ISTAT data processed by Unipro Economic and Statistical research

- Once again in 2008, foreign trade trends were influenced by individual countries' economies, where the common denominator was the need to tackle the financial crisis that has affected recent financial years. In this context, however slight it is, the increase in cosmetics sales abroad, up by 0.4% to 2.305 million Euros, must be seen as a positive development.
- Europe is still the leading market for Italian cosmetics exports, absorbing goods worth nearly 1,600 million Euros, despite the contraction in some countries, such as France, Germany and the United Kingdom.
- The countries where the highest growth levels were recorded include more notably Russia, up by 22.3% over 2007, the Netherlands, +18.9%, Greece, +8.9%, and Poland, +26.2%.
- Interesting increases were also recorded in Africa, whose overall volume grew by 9.5% to a total of 43 million Euros: although it is certainly marginal today, this bodes well for future developments.
- Significant increases in the value of exports were also marked up for the BRIC countries (Brazil, Russia, India and China): this group's overall value of more than 160 million Euros was supported in 2008 especially by the revival of exports to China, up by 15.3%, as well as the case of Russia already mentioned above.
- Growth in the Asian tigers slowed down to 4.5%, with a total value of 124 million Euros, including significant figures for South Korea, which was up by 5.1%, and Hong Kong, up by 8.3%.

FINISHED AND SEMI-PROCESSED PRODUCT IMPORTS

(January - December 2007 - 2008)

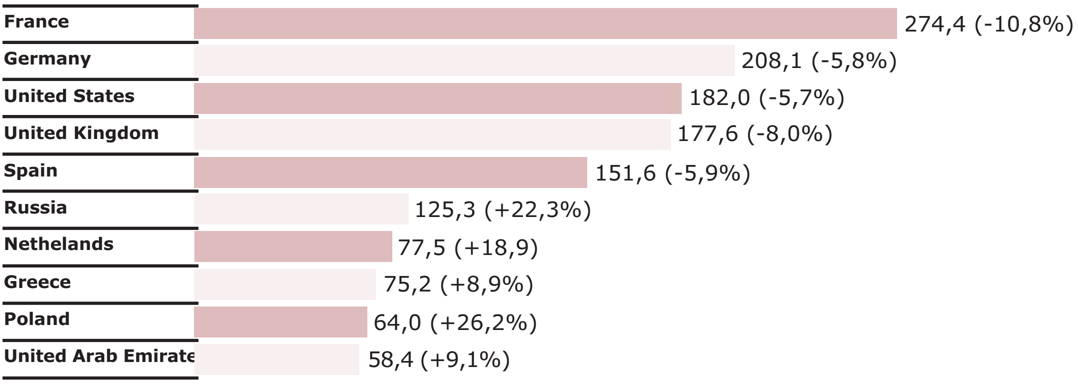
IMPORTS	QUANTITIES (Tonnes)			VALUE (thousands of Euros)		
	2007	2008	% VAR.	2007	2008	% VAR.
Shampoos	33.234,9	34.492,5	3,8%	67.541,7	71.075,2	5,2%
Preparations for hair	248,8	254,7	2,4%	1.527,5	1.429,0	-6,4%
Lacquers	2.237,9	2.152,3	-3,8%	8.497,7	7.199,2	-15,3%
Hair lotions	4.209,9	1.606,7	-61,8%	11.355,7	8.160,0	-28,1%
Other haircare products	31.810,9	33.129,2	4,1%	141.563,7	145.066,6	2,5%
Loose and compact powders	642,9	717,2	11,6%	21.359,0	21.027,1	-1,6%
Creams and other products	37.759,5	41.164,8	9,0%	504.118,8	531.547,4	5,4%
Lip make-up products	1.452,4	1.027,9	-29,2%	50.938,5	40.642,0	-20,2%
Eye make-up products	1.587,7	1.461,7	-7,9%	48.691,2	52.922,4	8,7%
Nailcare products	2.792,7	2.347,3	-15,9%	34.245,4	27.494,4	-19,7%
Toilet soaps	19.376,6	24.538,2	26,6%	39.830,6	46.525,9	16,8%
Bath preparations	20.387,2	24.513,8	20,2%	42.912,0	45.404,7	5,8%
Personal deodorants	6.095,3	6.639,8	8,9%	49.743,7	49.522,0	-0,4%
Toothpastes	19.997,1	28.937,2	44,7%	63.334,6	87.557,9	38,2%
Other oral hygiene products	10.661,8	8.980,8	-15,8%	33.440,4	32.162,1	-3,8%
Beard, pre- and after-shave products	6.403,0	5.382,8	-15,9%	30.894,6	25.670,8	-16,9%
Perfumes and eaux de parfum	2.703,3	5.632,6	108,4%	83.149,1	101.005,8	21,5%
Eaux de toilettes and colognes	7.232,8	7.422,7	2,6%	227.642,8	223.258,3	-1,9%
Other perfume and toiletry products	11.651,9	7.668,3	-34,2%	53.920,0	45.872,4	-14,9%
TOTAL IMPORTS	220.486,6	238.070,5	8,0%	1.514.707,0	1.563.543,2	3,2%

ISTAT data processed by Unipro Economic and Statistical research

Areas of internationalisation

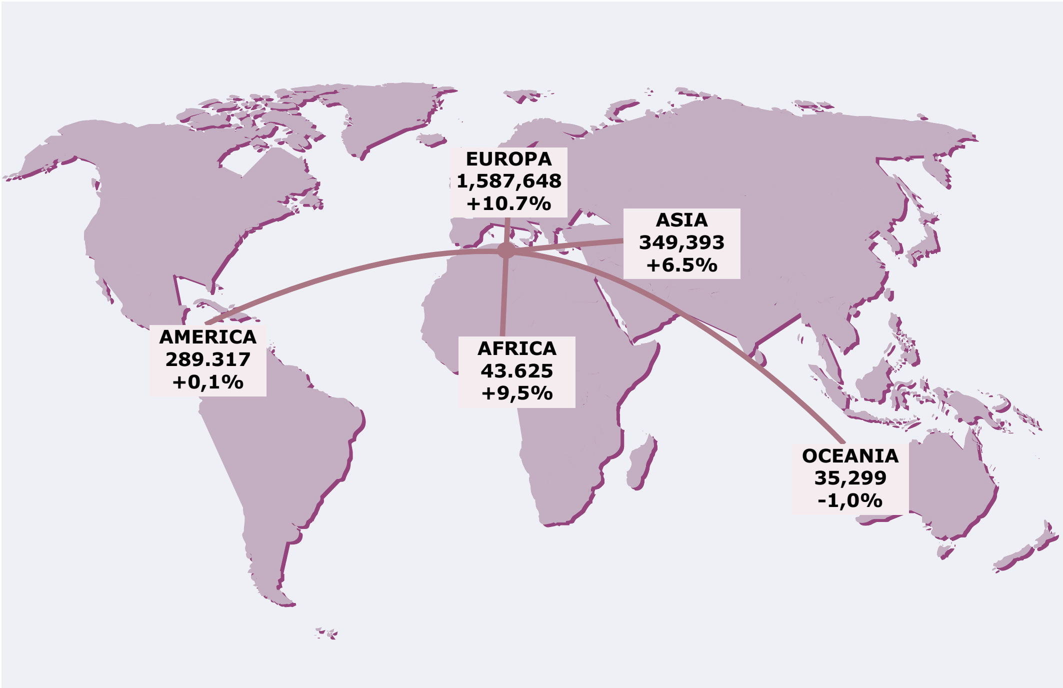
ITALIAN COSMETIC INDUSTRY EXPORT - TOP TEN COUNTRIES

(Values in millions of €)



INTERNATIONAL FLOW

(Export - Thousands of euros)



Istat data processed by Unipro Economic and Statistical research

UNIPRO INTERNATIONALISATION PLAN FOR 2009

(Export - Millions of euros)

Azerbaijan	1,1 (+21,5%)
Brazil	14,2 (+16,1%)
Germany	208,1 (-5,8%)
Japan	44,1 (-10,2%)
Mexico	11,7 (-3,9%)
Syria	3,4 (+34,7%)
Turkey	21,3 (-15,8%)
Vietnam	2,0 (+31,0%)

GEO-ECONOMIC AREAS

(Export - Millions of euros)

BRIC

Brazil	14,2 (+16,1%)
China	20,8 (+15,3%)
India	2,9 (+27,7%)
Russia	125,3 (+22,3%)

THE ASIAN TIGERS

South Korea	28,2 (+5,1%)
Hong Kong	51,2 (+8,3%)
Indonesia	1,2 (-12,5%)
Singapore	32,3 (+12,7%)
Taiwan	13,6 (-20,9%)
Thailandia	3,3 (+16,4%)

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