

ANNUAL REPORT

Cosmetics industry and consumption in Italy



Turnover of the cosmetics industry

In 2013, the industrial sector of the Italian cosmetics industry continued to mark an exception in Italian manufacturing: production went up, by 2.6%, with turnover at approximately 9,280 million euro. This performance confirms the unique nature of an industrial sector that is still sufficiently unaffected by Italy's economic difficulties. Consumer trends are still being impacted in Italy and in the last twenty-four months this has also influenced the domestic cosmetics market; at international level, the industry has, on average, picked up. However consumers, although now more selective in their purchases, do not want to go without cosmetics and personal care products. Consumption has decreased in terms of value, but the number of items purchased has gone up by a few percentage points.

The fall in domestic demand has led to a decrease in revenues with a loss of 1.2% and a value of just over 6,100 million euro. In particular, positive trends were recorded for door-to-door and mail order sales, which combined increased by +4.4%, and in herbalist store sales which, when included in mass market sales, went up by nearly 3%. Pharmacy channel sell-in was also buoyant (+0.3%), while the perfume stores channel continued to decline (-3.8%) confirming, for several years now, the structural crisis affecting the segment, although some signs of innovation may be glimpsed. The mass market (+0.1%) remained steady at 2012 figures, with values just under 2,900 million euro.

Analysis of the domestic market as the target of revenues shows that professional channels continued their poor performance, down by 7.7% with a sell-in value of just over 700 million euro. The decline in the number of visits to beauty salons and hairdressers (which were most affected by the economic crisis that came to the fore in 2008) continued in 2013: the immediate effect was a decrease in the use of cosmetics for services and re-sale.

Domestic sales of cosmetics, affected by a general economic situation that is still negative, could not support the turnover of Italian companies, while in 2013, as in previous years,

COSMETICS INDUSTRY TURNOVER BY CHANNEL OF DISTRIBUTION

Figures in million euro

	2012		2013	
	value	% var.	value	% var.
Italian market turnover	6,180	-1.8	6,103	-1.2
TOTAL TRADITIONAL CHANNELS	5,419	-1.2	5,401	-0.3
Pharmacies	831	-1.4	834	0.3
Perfume stores	1,213	-4.0	1,167	-3.8
Mass distribution and other channels*	2,877	-0.4	2,880	0.1
Door-to-door and mail order sales	498	2.3	520	4.4
TOTAL PROFESSIONAL CHANNELS	761	-5.7	702	-7.7
Beauticians	196	-5.0	185	-5.5
Hairdressing	565	-6.0	517	-8.4
Exports	2,860	7.1	3,176	11.0
Global cosmetics industry turnover	9,040	0.9	9,279	2.6

* includes Herbalist stores, with a 2013 turnover of 204 million euro

the considerable performance of exports led to a major recovery in profitability. International sales increased by 11%, to account for 3,176 million euro. Imports, with a value of just over 1,600 million euro, recovered, albeit marginally (+0.8%), confirming the down-sizing of domestic demand, geared towards products offering a better price/quality ratio. Due to these trends, the trade balance of the industry was widely positive, with a record figure of nearly 1,540 million euro.

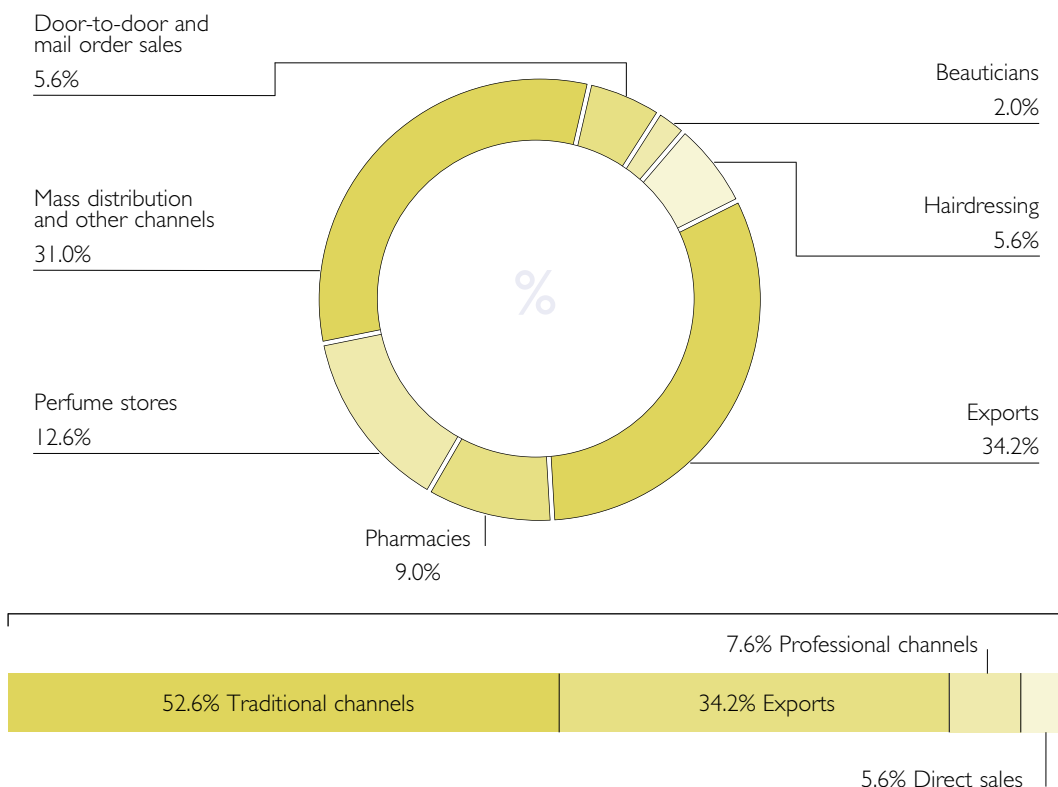
The breakdown of turnover by distribution channel shows important developments: compared to the previous year, the mass market declined slightly, though this trend was less evident as herbalist store sales, increasing by more than 4%, with 31% of sell-in values, were included. Other channels were basically stable, apart from the downturn in professional channels which account for 7.6%.

Exports, which account for 34% of turnover, increased, as well as door-to-door and mail order sales (accounting for 5.6%), while sales in the pharmacy channel (accounting for 9%) were slightly down. Sales of perfume stores, which account for just under 13%, fell, but are still a driving force of the entire industry, and the second market channel on domestic market after the mass market.

At a time when the economy is still struggling to recover, the trend of turnover, i.e. of domestic revenues, reflects the robust and competitive nature of the cosmetics industry and effectiveness of a strategy focussed on continual research and innovation. Industry fundamentals and in particular the target of investments, which are still above average, confirm this pattern: at present, cosmetics companies invest more than 6% of turnover in innovation, against an average 3% invested by Italian manufacturing companies. Italian companies have been able to tackle the crisis with increasingly effective internationalisation policies.

The Italian cosmetics industry is recognised worldwide for its innovative formulations and the dynamic service of its manufacturers, and these characteristics have enabled this supply chain to make a name for itself on both traditional and emerging markets.

OVERALL TURNOVER BY CHANNELS OF DISTRIBUTION



The Italian regions

Italian cosmetics companies are mainly concentrated in the north of the country, with a geographic segment weight of over 82%; just one year ago this figure stood at 80%.

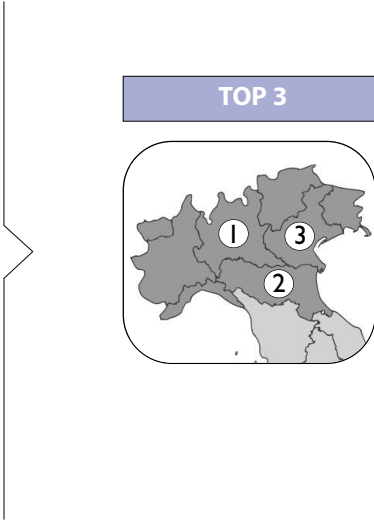
Lombardy ranks first, with the highest density of cosmetics companies at over 52%, followed by Emilia Romagna with over 10%, Piedmont with 7.1% and Veneto with 8%.

No industrial sites are present in Basilicata, Calabria, Sardegna, Molise or Valle d'Aosta, while cosmetics companies in Tuscany account for 4.8%, a noticeable increase compared to previous ISTAT figures.

GEOGRAPHICAL DISTRIBUTION OF INDUSTRIES

Percentage distribution

Abruzzo	0.6
Apulia	0.9
Campania	1.7
Emilia Romagna	10.2
Friuli Venezia Giulia	1.5
Latium	6.3
Liguria	2.4
Lombardy	52.2
Marches	0.9
Piedmont	7.1
Sicily	0.6
Trentino South Tyrol	1.3
Tuscany	4.8
Umbria	1.5
Veneto	8.0
Total	100.0



This year, in-depth analysis of Italy focussed once again on the perfume shop channel; with 5,500 sales outlets in Italy, this sector plays an important role for the cosmetics industry, in terms of distribution. It is also the traditional channel which is tackling the economic crisis most efficiently: so it is important to understand how its structure is changing in Italy. Figures from Fenapro, the National Federation of Perfume Sellers, on distribution in Italian perfume stores based on the number of sales outlets ranks Lombardy first (17.0%), followed by Lazio (11.5%) and Campania (9.5%). In terms of Nielsen areas, area 1 (29.0% of the total) and area 4 (27.0% of the total) are very close.

Analysis of the distribution of Italian perfume chain stores shows a parallel trend of the first two regions, with Lombardy accounting for 18.9% of total sales outlets and Lazio accounting for 13.5%. Veneto ranks third, increasingly closer to 10% of the total. In terms of Nielsen areas, areas 1 and 3 cover around 30% of Italian sales outlets, followed by area 2 with just over 23% and area 4 with under 16%. As regards southern Italy, with less advanced distribution patterns, the discrepancy between the penetration of "traditional" perfume stores and chain stores is noticeable.



Regional classification of personal care product sales

Sales of cosmetics by geographic segment, recorded by ISTAT, show an evident concentration in northern Italy where over 54% of personal care products, and 50% of the cosmetics products used and bought in professional channels were purchased.

As regards sales of personal care products Lombardy ranks first with 20.0%, followed by Veneto (9.8%), Latium (9.1%) and Emilia Romagna (8.6%).

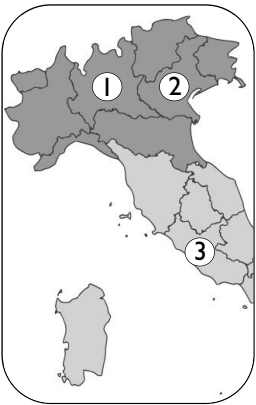
With a value close to 23%, southern Italy, Sardinia and Sicily recorded sales figures well above other goods' categories, reflecting a uniform, widespread consumption not only as regards age bands, but also as regards geographic segments. Sales figures for professional channels were even better, with southern Italy accounting for a percentage above 27%.

ABSOLUTE CONSUMPTION BY REGIONS

Percentage distribution

	Products for personal care	Hairdressing and beauty salons
Abruzzo	2.6	2.8
Apulia	5.9	6.4
Basilicata	0.9	0.9
Calabria	2.8	3.0
Campania	7.5	8.0
Emilia Romagna	8.6	8.2
Friuli Venezia Giulia	2.3	2.2
Latium	9.1	9.3
Liguria	2.7	2.5
Lombardy	20.0	18.4
Marches	2.6	2.6
Molise	0.6	0.6
Piedmont	8.1	7.5
Sardinia	1.6	2.4
Sicily	3.9	5.8
Trentino South Tyrol	2.1	1.9
Tuscany	6.8	6.9
Umbria	1.4	1.4
Val d'Aosta	0.2	0.2
Veneto	9.8	8.9
Total	100.0	100.0

TOP 3



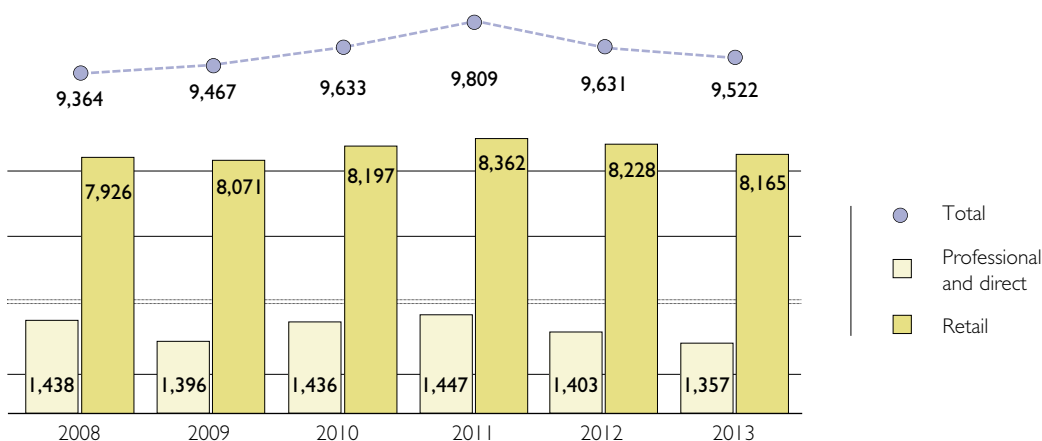
Calculations by Cosmetica Italia Statistics Dept. based on ISTAT data

Sales at pharmacies and in the mass market picked up slightly (+0.3% and +0.1% respectively). The decline of perfume stores (-3.8%) continued, with sales figures down, confirming the divergence of the channel. On the one hand, sales at traditional perfume stores were down, in terms of the number and weight, and on the other hand specialist chains, that are more attentive to customer service and new needs, were streamlined. In 2013 professional channels recorded a downturn: sales at hairdressing and beauty salons fell by 8.4% and 5.5% respectively.

In 2013, price trends appeared to be on the up, with perfume stores recording the most considerable increase among traditional channels (+2.4%). In professional channels, the increase in margins did not produce considerable effects, due to the significant decrease in quantities.

EVOLUTION IN COSMETICS CONSUMPTION: 2008-2013

Consumption in million euro, VAT included



TRENDS IN DISTRIBUTION CHANNELS

2013 vs. 2012 variations

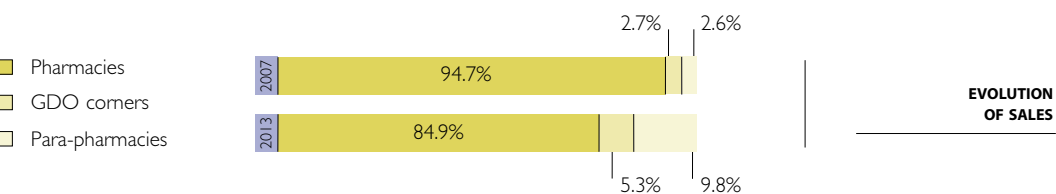
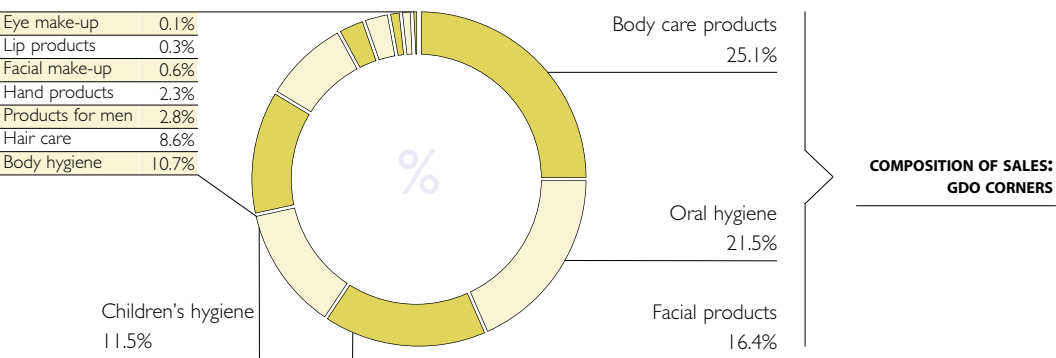
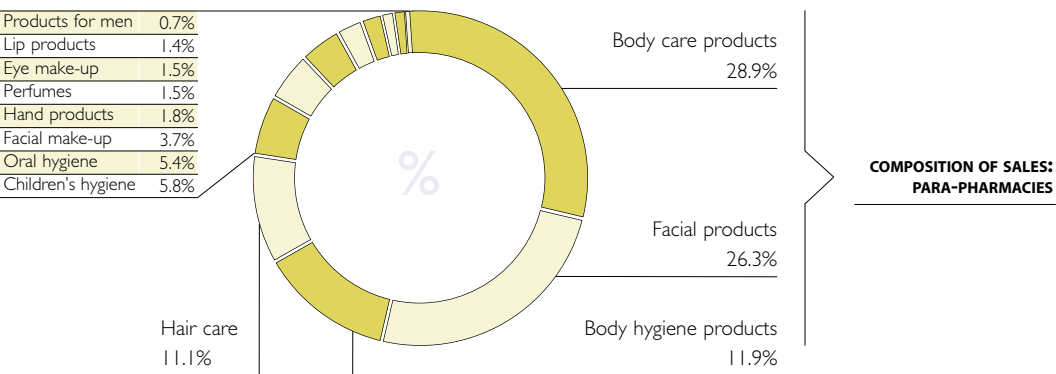
CHANNEL	CONSUMPTION	QUANTITY	PRICE
Pharmacies	0.3%	-1.0%	+1.3%
Perfume stores	-3.8%	-6.6%	+2.8%
Other channels	0.1%	-0.3%	+0.2%
<i>of which SUPER-HYPERMARKETS</i>	-4.7%	-4.0%	-0.7%
TOTAL TRADITIONAL CHANNELS	-0.9%	-2.4%	+1.5%
Door-to-door sales	4.3%	+2.8%	+1.5%
Mail order sales	4.6%	+3.6%	+1.0%
Sales to beauticians and beauty salons	-5.5%	-8.0%	+2.5%
Hairdressing	-8.4%	-11.4%	+3.0%
GENERAL TOTAL	-1.2%	-3.0%	+1.8%

PHARMACIES

Sales of cosmetics at pharmacies accounted for a value of 1,757 million euro at the end of 2013, recording a slight increase of 0.3% and confirming consumers' confidence in this channel, its specialisation levels and focus on additional services. The polarisation of sales has also affected the pharmacy channel, and in fact consumers, who have shifted to other channels only in part, trend towards products offering the best price/quality ratio without making too many sacrifices, as cosmetics sold at pharmacies have gained an increasingly fundamental role, often representing a means of attenuating a falling demand. More than any other channels, promotion and customer service policies reward consumer loyalty.

Pharmacies, more than any other sales channel, invest in cosmetic products and a specialist sales staff. Data also includes figures for cosmetics sold in para-pharmacies: this segment has been the most significant as regards the distribution of cosmetics in the pharmacy channel over the last few years, with figures going up from 2.6% in 2007 to 9.8% of total sales in 2013.

The composition of sales, by corners and para-pharmacies, based on IMS (Institute for Health Management) data, helps explain some characteristics: at para-pharmacies, sales of products for face and body care account for over 55%, while this figure is more uniform at corners.



PERFUME STORES

In 2013, perfume stores recorded the greatest downturn among traditional channels. Sales of cosmetics at perfume stores fell further by 3.8%, with the value of sales close to 2,100 million euro. Perfume stores, which account for 22.2% of the market total, represent the second channel after the mass market. As in previous years, only price increases supported volumes, with effects on the average value of sales receipts and a decrease in the number of consumers.

Profound changes in consumer groups, divided between loyal and occasional customers, have affected channel trends and many industry insiders are hoping for innovative action to value the selective nature of the channel. The gap between the stagnant trend of many traditional/neighbourhood perfume stores and the successful dynamics of organised chains (and regional chains in general), as well as of small distributors capable of using the concept of exclusive, niche products, i.e. the concept of selectivity that has always been characteristic of the perfume shop channel, has continued.

Despite new launches, a reduction in stock and dynamic price list policies, spending in this channel has decreased, due above all to the crisis of numerous independent sales outlets, weakened by new, more aggressive and contemporary forms of distribution, such as some single-brand stores. It is important to understand just how much longer the considerable sales promotions and discounts, which characterise the channel to the detriment of its selective nature, can continue.

MASS MARKET AND OTHER CHANNELS

The value of cosmetics sold on the mass market in 2013 was near to 3,880 million euro, excluding herbalist store sales, confirming this market's status as the most important sales channel for cosmetics, accounting for 40.8%. However figures point to the considerable difference between sales of cosmetics at hypermarkets and traditional supermarkets, which have fallen by nearly 5%, and sales at specialist outlets, i.e. the "home & personal care sector" (or "SSS Drug"), with increases that have even exceeded 4%. Mono-brand distribution has also had a considerable impact on the above trend, accounting for just over 300 million euro and recording increases of more than 30% at the end of 2013.

Although trends still need to be clarified, the mass market in general, at a time of economic difficulty and a focus on price levels, has been able to meet the requirements of broad-ranging categories of consumers, who acknowledge the channel's ability to offer products with a high price/quality ratio. The "hour-glass effect" has also continued in mass market channels with a consequent focus of consumers on niche products and on items with a high price/quality ratio.

2013 consumption trends by points of sale

2013 vs. 2012 variation

HYPERMARKETS	Retail points of sale with a sales surface > 2,500 m ²	-4.7%
SUPERMARKETS	Retail points of sale with a sales surface from 400 to 2,499 m ²	
SELF-SERVICE	Retail points of sale with a sales surface from 100 to 399 m ²	-12.1%
DISCOUNT	Retail points of sale featuring an unbranded assortment	5.4%
TRADITIONAL GROCERY	Points of sale with a sales surface <100 m ² . These shops must carry at least three of the following products: hair lacquers, toilet soaps, shaving products, personal deodorant or sanitary towels	-9.1%
SELF SERVICE SPECIALIST DRUG (SSS DRUG)	Retail points of sale dealing primarily in products for the home and toiletries	4.7%

Profile of the large retail and relative turnover of cosmetic products

Figures in million euro and changes as a %

	2011		2012		2013		% variations		
	Values	% share	Values	% share	Values	% share	'11/'10	'12/'11	'13/'12
HYPERMARKETS + SUPERMARKETS	2,361	62.3%	2,283	61.8%	2,181	60.8%	-1.0	-3.4	-4.7
SELF-SERVICE	344	9.1%	319	8.6%	284	7.9%	-3.9	-8.0	-12.1
DISCOUNT	135	3.6%	138	3.8%	146	4.1%	-2.3	2.4	5.4
TRADITIONAL GROCERY	179	4.7%	175	4.7%	160	4.5%	-6.1	-2.4	-9.1
SSS DRUG	769	20.3%	776	21.0%	815	22.7%	8.3	1.0	4.7
TOTAL	3,788	100.0%	3,692	100.0%	3,586	100.0%	0.3	-2.5	-2.9

An analysis of large retail sales over the last three years shows how the channel has changed, to incorporate distribution patterns that are highly diverse, and not only as regards the type of outlet. The total value of this category amounted to 3,586 million euro in 2013 (against 3,788 in 2011) due to the value of herbalist store and single-brand store sales not being included. The category recorded a downturn of 3%, which is the worst result of the last three years.

Discount stores are an exception to the above trend, recording an increase of 5.4% and accounting for a value of 146 million euro, while drug stores, selling items in the home and personal care sector recorded sales of 815 million euro, equal to 22.7% of the entire large retail, increasing by nearly 5%. The decline in the self services was considerable, with a decrease of more than 12%; likewise the supermarket and hypermarket sector, which is the most important in the large retail, accounting for 60.8%, with a value of 2,181 million euro, decreased by 4.7%.

Based on an analysis of the most widely sold products in different channels, nail varnishes in the traditional grocery sector were the best performers, up 18.5%, followed by deodorants at discount stores up 12.5% and mascaras in the traditional grocery sector, up 16.2%. These results appear to show different levels of specialisation within the large retail, even though it is still early to reach this conclusion, and long-term figures should be analysed.

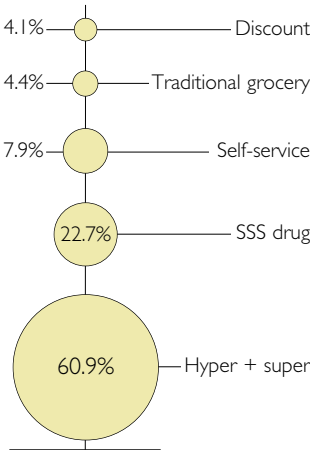
Best performance analysis

2013 vs. 2012 variation

MODERN DISTRIBUTION hyper, super and self-service	Firming agents	+5.1%
	Mouthwashes	+0.8%
DISCOUNT	Deodorants	+12.5%
	Bath and shower	+8.2%
	Toothpastes	+3.0%
TRADITIONAL GROCERY	Nail varnishes	+18.5%
	Mascara	+16.2%
SSS DRUG	Intimate hygiene	+10.3%
	Toothpastes	+8.2%
	Anti-ageing creams	+7.7%

Mass distribution analysis

Percentage distribution



DIRECT SALES

Direct sales to consumers, i.e. door-to-door sales and mail order sales, performed well in 2013, above the average of other channels: growth was steady in 2013, at +4.4%, with a value exceeding 520 million euro and the channel accounting for 5.5% of the entire market.

The value of door-to-door sales exceeded 450 million euro, with an increase of more than 4%. One third of this channel comprises sales of make-up. Mail order sales also went up, by 4.6% and accounted for a market value of 68 million euro, confirming consumers' focus on new distribution formats, offering a specialist service.

Although direct sales have reached an apparent maturity, they can concretely meet the need to downsize purchases without affecting choice, and in fact offer new products with targeted promotion levels.

Internet sales are also on the increase: recent surveys show sales going up by nearly 20%, even though volumes, below 100 million euro, are still not significant. As mentioned during recent seminars organised by Cosmetica Italia, Italy's National Association of Cosmetics Companies, the use of the Internet as a means of communication and information has marked the real evolution of the last few years; the integration of online and offline sales as a strategy for a new distribution format is becoming increasingly evident.

The survey conducted by GFK in the first few months of 2014 on consumer behaviour in various channels further explains the values attributed to direct sales: along with the pharmacies channel, direct sales retain the most customers, and more than the mass market and perfume stores channel. When comparing the change in the penetration index, that measures sales of channels analysed, door-to-door sales immediately follow on from the mass market and single-brand store sales, confirming their steady performance over the last three years.

As regard average annual spending, with a general decrease of 13% from 2011 to the present, direct sales fell by a minimum of just over 2%, which is directly connected to consumer loyalty to this channel.

HERBALIST STORES

In 2013, cosmetics sold in herbalist stores confirmed the positive trend of recent years, with figures above the annual average. The value of sales, close to 410 million euro and a growth of 2.8% reflect the importance of this channel, which does not appear to be affected by the negative economic situation, thanks to the spending choices of consumers, who are increasingly drawn towards healthy, natural concepts.

As with sales of cosmetics in the pharmacy channel, sales at herbalist stores which account for 4.3% of the entire cosmetics market in Italy, confirm the consumer choices of a category that favours sales with a service.

Environmental awareness and a focus on environmentally-friendly products are on the increase, with these needs evidently met by herbalist stores; moreover, the growing increase in specialist corners and opening of new sales outlets, that can often be classified as single-brand stores, confirm this channel's further consolidation at the highest price list levels.

The survey conducted by GFK in the first few months of 2014 on consumer behaviour in various channels also explains the values attributed to herbalist stores. The reasons leading consumers to purchase products at herbalist stores are not based on prices or promotions, but instead confirm a consolidated loyalty to this channel. Customers rate the importance of sales staff and attention to product ingredients as the first reason why they shop at herbalist stores: this further explains the profiles of customers who favour herbalist stores and the levers driving their purchases.

HAIRDRESSING

Sales of cosmetics in the professional hairdressing channel fell significantly in 2013, by 8.4%, accounting for a value of 591 million euro, equal to 6.2% of all cosmetics sales in Italy. Along with beauty salons, the lower number of visits paid to hairdressing salons, which is a direct result of the negative economic situation and limited to customers using beauty services, caused a considerable drop in the use and purchase of cosmetics via the professional channel.

It should be noted that the value of this market includes both products used for services and sold in salons, as well as products sold and used outside salons, with the latter accounting for approximately 15% of total sales in this channel; the Marketing & Telematica survey, conducted each year, also analyses this professional channel.

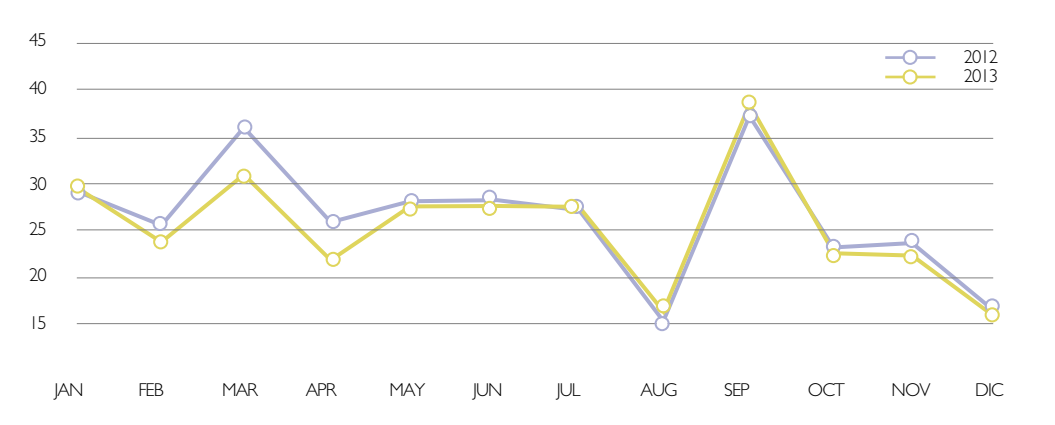
The value of sales in 2013 decreased compared to figures for the previous year, with negative deviations in February, March, April and November, and just one positive variation in September. Monthly trends reflect the seasonal nature of sales in this channel which follows peak values recorded in March and September and negative values recorded in August and December.

As regards volumes, the highest sales refer to the following product groups: shampoos, hair dyes, rinse-out conditioners/creams, lacquers and developing/oxidising agents; the latter products are the only items to increase sales compared to the previous year.

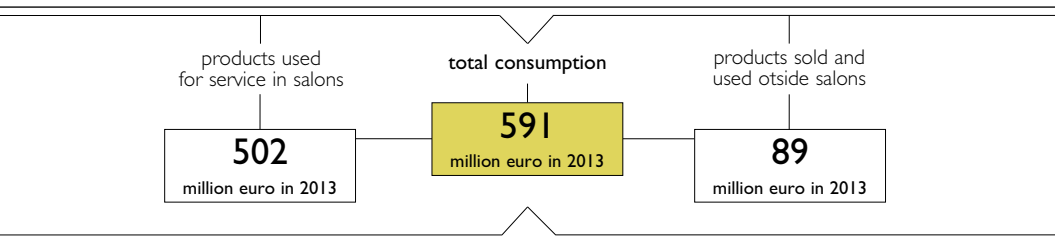
As with other channels, consumer trends also differ within salons: some establishments run major promotions, attracting customers who are undoubtedly affected by the negative economic situation but want safe, qualified services. Internet use by some professionals who target customers with an increasingly customised, contemporary approach is considerable.

Monthly trend of sales by value

Turnovers in million euro



CONSUMPTION IN PROFESSIONAL HAIRDRESSING CHANNEL



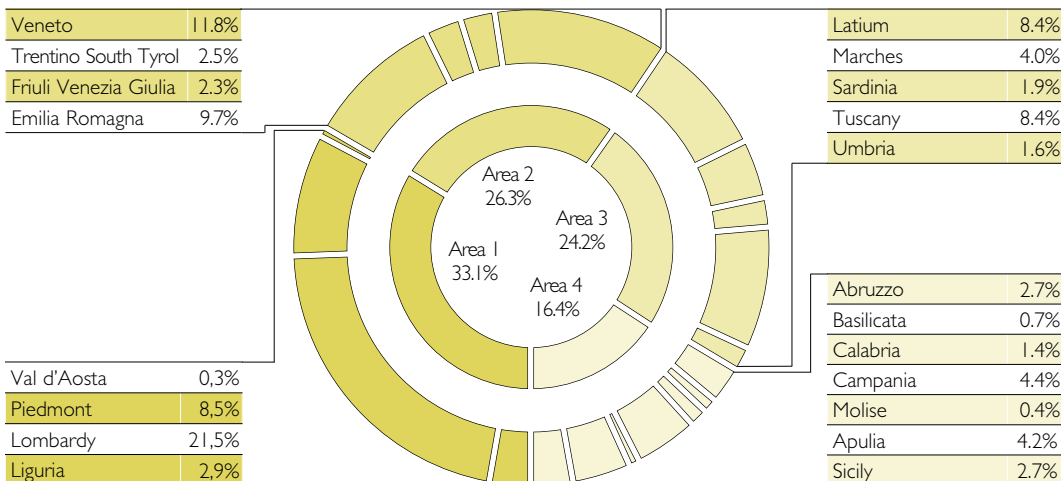
BEAUTY SALONS

Like hairdressing salons, beauty salons have been affected by a slowdown in consumer spending with fewer visits to salons, causing a decrease in services, treatments and an obvious impact on the use of cosmetics. For several years, beauty salon sales have been on the decrease, with a -5.5% decline in 2013 and a value of just over 260 million euro, accounting for 2.5% of all cosmetics sales in Italy.

This channel is still affected by uncertainties as regards visits to beauty salons, penalised by the economic situation and price tensions, the policies of major market players and above all new competition with products of dubious origin. This lack of a specific distribution identity, also marked by non-uniform quantities and prices, is harming the development of this channel. Moreover, some important emerging trends, such as spa and wellness centres, are also having an impact, and dynamically tend to cover wider consumer brackets in the category of beauty/professional salon users.

Distribution of Italian beauty salons

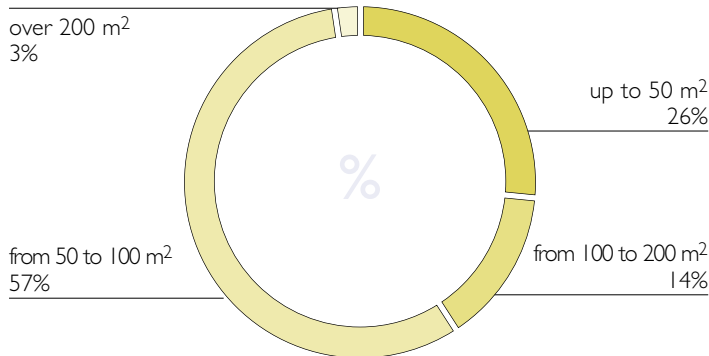
Source: Cosmetica Italia processing of Marketing & Telematica data (2014), divided by Nielsen areas



Sizes of Italian beauty salons

Source: Cosmetica Italia processing of Marketing & Telematica data (2014)

In Italy, nearly 60% of salons are on premises from 50 to 100 m²; only 3% of salons are on premises of more than 200 m². Smaller salons are located in north western areas, while larger salons are located in central and southern Italy.



Cosmetics in Europe

Figures from **Cosmetics Europe**, formerly COLIPA, the European Association representing the Cosmetics Industry, once again confirm Germany as the leading nation for sales in 2013, with 12,896 million euro, followed by France with 10,542 million euro. The United Kingdom ranks third, with sales falling by 2.5% and accounting for just over 9,900 million euro. Italy ranks fourth for sales in Europe, followed by Spain with sales down by 4% and a value of 6,433 million euro. The concentration index shows that the first five countries cover just under 70% of the European market, which recorded a total value of 72,060 million in 2013, reporting a slight decrease of 0.8%.

Toiletries and skin care products are the first segment in European sales, accounting for 25.3% of the total. Europe, with 72 billion euro, ranks first in world consumer trends, followed by the United States (47 billion), China (29 billion) and Japan (18 billion).

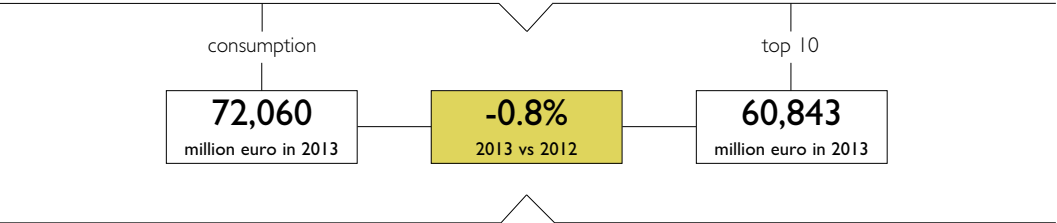
EUROPEAN CONSUMPTION

Consumption in million euro, VAT included

	2012	2013	% var.
1 Germany	12,819	12,896	0.6
2 France	10,578	10,542	-0.3
3 United Kingdom	10,191	9,936	-2.5
4 Italy	9,631	9,522	-1.2
5 Spain	6,669	6,433	-3.6
6 Poland	2,873	2,862	-0.4
7 The Netherlands	2,837	2,823	-0.5
8 Switzerland	2,165	2,078	-4.0
9 Belgium/Lux	1,960	2,023	3.2
10 Sweden	1,766	1,728	-2.2
11 Austria	1,274	1,313	3.1
12 Portugal	1,330	1,287	-3.2
13 Norway	1,261	1,284	1.8
14 Denmark	1,047	1,055	0.8
15 Romania	1,025	1,035	1.0
16 Finlandi	917	932	1.6
17 Greece	846	816	-3.6
18 Czech Republic	786	758	-3.6
19 Ireland	656	733	11.7
20 Hungary	682	654	-4.0
21 Slovakia	507	513	1.2
22 Bulgaria	315	316	0.3
23 Lithuania	159	163	2.9
24 Slovenia	159	152	-4.1
25 Estonia	107	110	2.3
26 Latvia	94	97	3.4



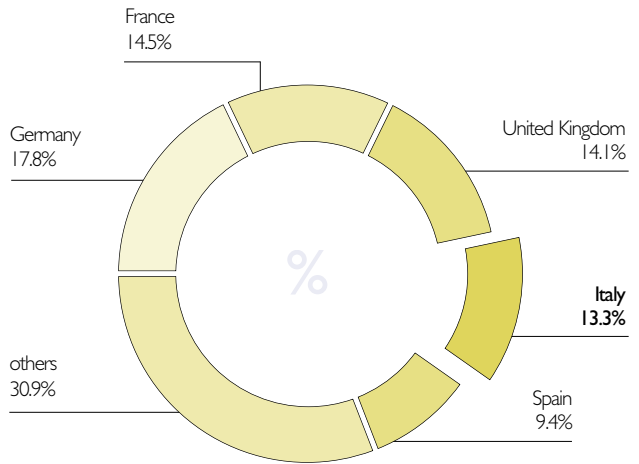
Source: Cosmetics Europe, 2013



COMPOSITION OF CONSUMPTION BY COUNTRY

OTHER COUNTRIES:

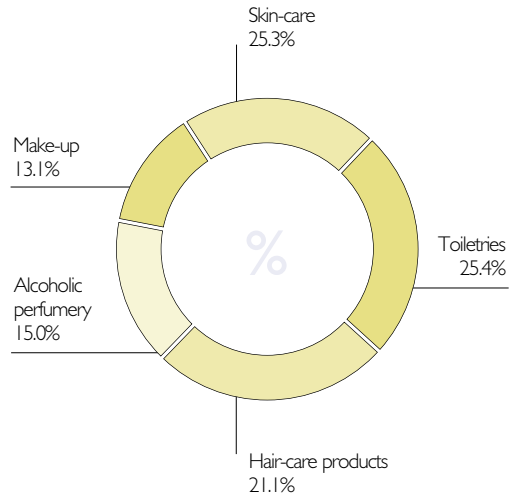
The Netherlands	3.9%
Poland	3.8%
Switzerland	3.0%
Belgium/Lux	2.7%
Sweden	2.4%
Portugal	1.8%
Austria	1.8%
Norway	1.8%
Denmark	1.5%
Finland	1.3%
Romania	1.3%
Greece	1.2%
Czech Republic	1.2%
Hungary	1.1%
Ireland	0.9%
Slovakia	0.9%
Lithuania	0.7%
Slovenia	0.2%
Bulgaria	0.2%
Latvia	0.2%
Estonia	0.1%



COMPOSITION OF CONSUMPTION BY CATEGORY

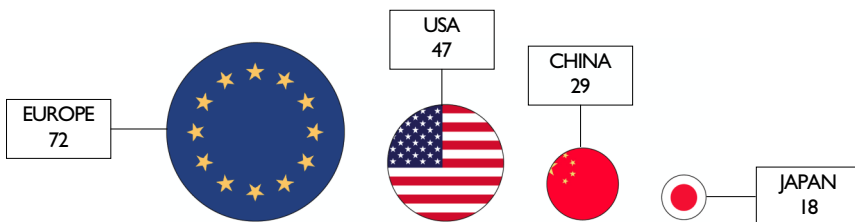
2013 vs 2012 TRENDS

Make-up.....	-0,4%
Skin-care.....	-0,4%
Toiletries.....	-0,4%
Hair-care products...	-1,1%
Alcoholic perfumery	-2,3%



MAJOR MARKETS COMPARED

Source: Cosmetics Europe, 2013; consumption in billion euro



The cosmetics sales trend

After years of holding up against the current economic crisis, the cosmetics market came to a standstill in 2013. Sales of cosmetics in Italy fell by 1.2% to 9,522 million euro, a figure close to that recorded in 2009. The result was slightly better than the previous year (-1.8%), and reflects a renewed confidence in consumers and the consumer spending trends affecting the period after the world crisis in the third quarter of 2008.





8,164 million euro of total cosmetics sales are from retail channels, with an overall decrease of 0.9%, partly supported by the performance of single-brand stores in the mass market and sales of cosmetics at herbalist stores.

The pharmacy channel held up, after negative trends affecting multiple product lines in 2012. On the contrary, the domestic market performed well in terms of exports, up 11%, confirming the ever increasing capacity of Italian cosmetics companies to adapt to new characteristics of expanding markets and diversified purchase options of consumers.

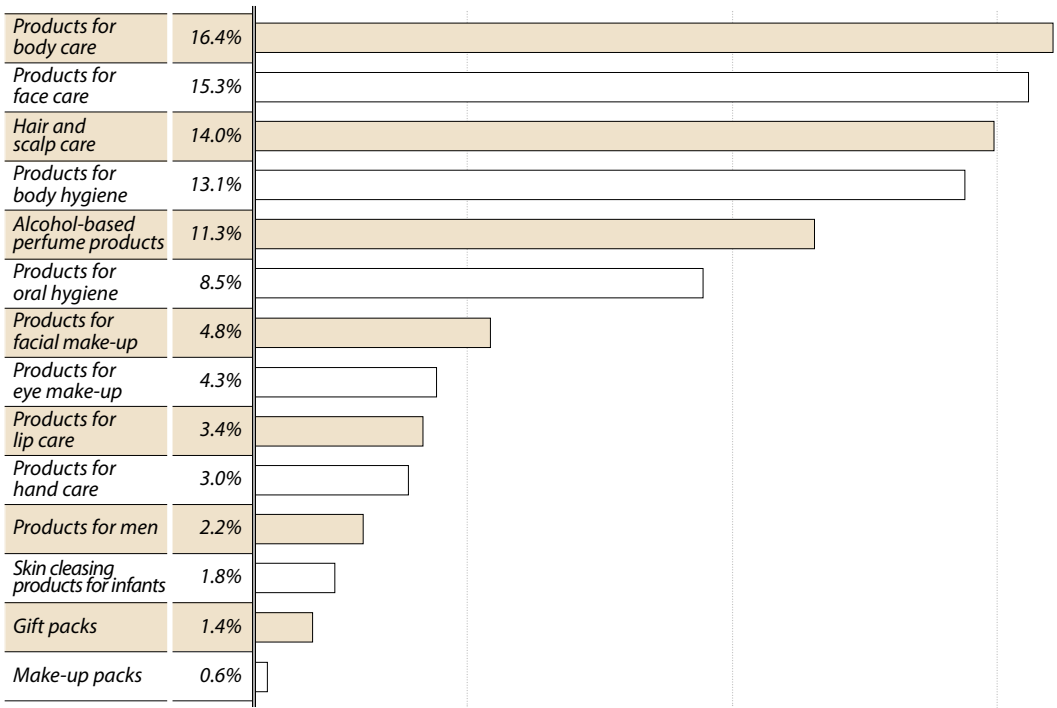
In 2013, the most evident characteristics of the Italian market included the broad-ranging nature of sales and "non-channel" choices; mass market lines were driven by specialist (see page n°9) and mono-brand stores.

COSMETIC PRODUCTS RETAIL CONSUMPTION - 2013 traditional channels value

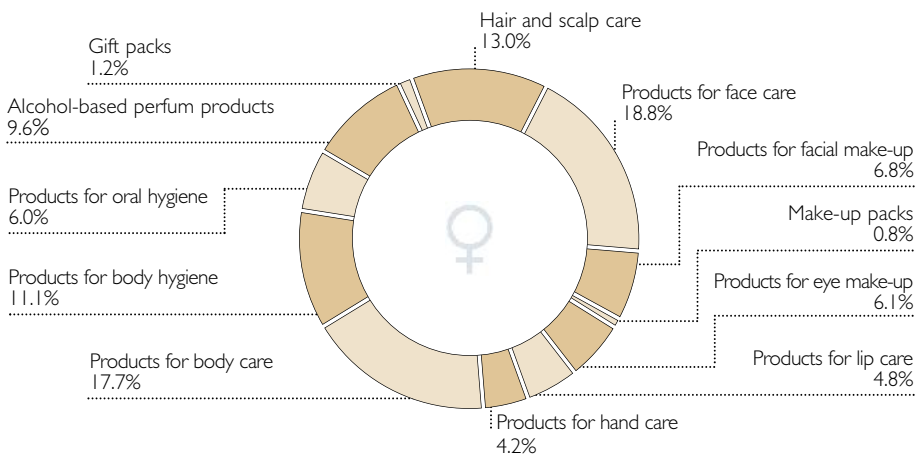
Consumption in million euro, VAT included

	Total	Pharmacy	Perfume stores	Mass market, other channels	Total % var.	Pharmacy % var.	Perf. stores % var.	Mass, other % var.
	8,164.2	1,756.4	2,113.1	4,294.8	 -0.9	 0.3	 -3.8	 0.1
Hair and scalp care	1,139.8	175.4	72.1	892.2	-1.5	-0.3	-9.7	-1.0
Products for face care	1,251.3	473.1	415.6	362.7	0.0	0.7	-3.1	2.9
Products for facial make-up	390.0	52.4	186.5	151.2	-0.5	-0.5	-5.4	6.3
Make-up packs	48.3	0.0	34.0	14.3	4.0	18.1	5.2	1.1
Products for eye make-up	349.4	18.7	150.6	180.1	5.7	2.1	-2.4	14.2
Products for lip care	279.0	46.0	87.2	145.8	-2.2	-2.0	-5.8	0.1
Products for hand care	242.8	37.0	48.7	157.0	-1.4	-7.0	-7.9	2.4
Products for body care	1,334.9	443.9	147.2	743.8	-1.6	0.9	-11.4	-0.9
Products for body hygiene	1,065.9	257.1	42.4	766.3	-2.0	1.1	-12.5	-2.4
Products for oral hygiene	692.8	135.0	4.4	553.4	1.2	3.0	0.0	0.7
Skin cleansing products for infants	147.6	96.8	4.7	46.2	-3.9	-4.0	0.0	-4.0
Products for men	179.4	12.8	41.1	125.5	-6.6	-3.1	-8.6	-6.3
Alcohol-based perfume products	926.2	8.1	773.1	144.9	-1.6	6.5	-1.9	-0.2
Gift packs	116.9	0.0	105.5	11.4	4.0	0.0	4.4	0.0

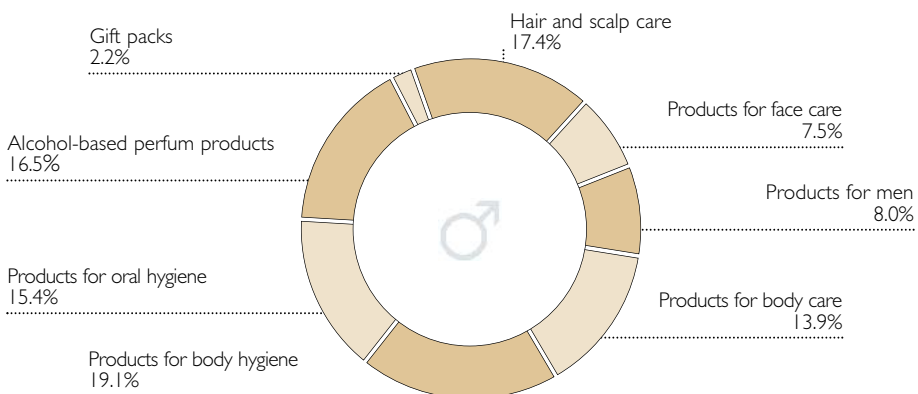
COSMETIC PRODUCTS RETAIL CONSUMPTION - 2013 *traditional channels share*



ESTIMATE OF COMPOSITION OF WOMEN'S COSMETICS CONSUMPTION



ESTIMATE OF COMPOSITION OF MEN'S COSMETICS CONSUMPTION (30% total)



Focus

As usual, each year the Centro Studi e Cultura d'Impresa (Statistics and Business Culture Department) focuses on some surveys and figures that analyse new trends and developments in the cosmetics industry.

The first analysis, derived from the survey conducted by **GfK** between 2013 and the first few months in 2014, provides significant information about consumer spending trends and motivation to purchase cosmetics. The second, quali-quantitative survey, conducted by the company **Alias**, investigates the experience of consumers at herbalist stores and Italian beauty salons. The main results of the two surveys were previewed at the 2014 edition of Cosmoprof Worldwide Bologna.

Lastly, a survey conducted by the market research company **Tote Next** on online discussions about single-brand distribution cosmetics and the main results of the 2014 Beauty Report, the fifth report on the industry edited by **Ermeneia** and its focus on developments in the mass market channel, and all its sub-areas, were also analysed.

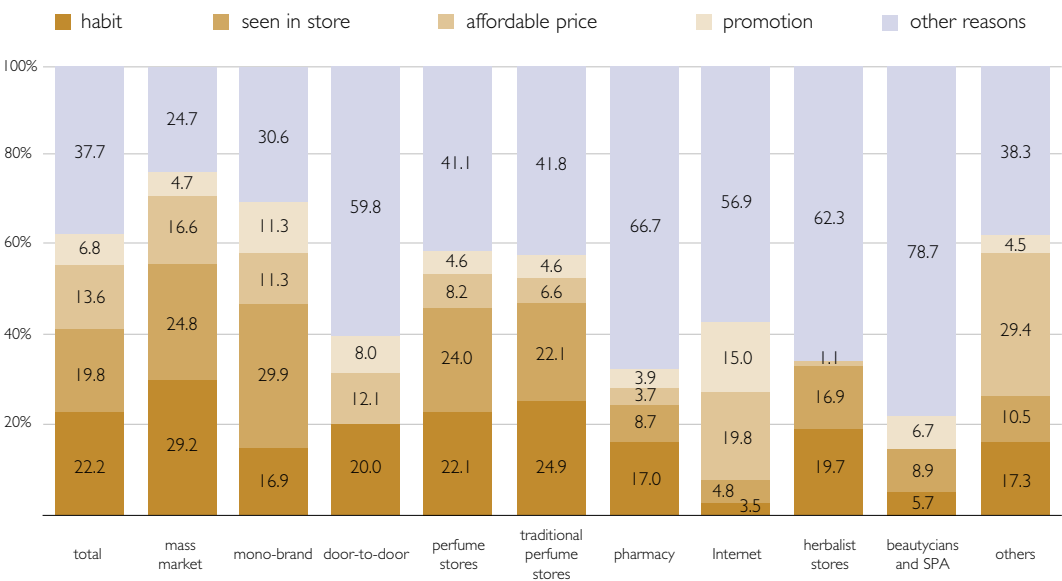
COSMETICS' CUSTOMERS: MULTICHANNEL ANALYSIS

The survey conducted by GfK in 2014 on consumer spending trends and motivation in various channels has the same analysis format as the equivalent survey conducted in 2011, albeit with further investigation due to new survey models. A comparison between the two surveys conducted between the crisis provides interesting insight into how Italian consumers' tastes and habits have changed.

Consumption per-capita decreased, in terms of the number of items purchased and average values; the average price of items (excluding alcohol-based perfume products) has also fallen over the last three years, and above all make-up prices. The survey also looks at the penetration of different channels: the most important trend concerns the single-brand channel, with a penetration index of 18% in 2011 going up to 26% in the first few months of 2014, to become the second channel, by number of customers, after the mass market.

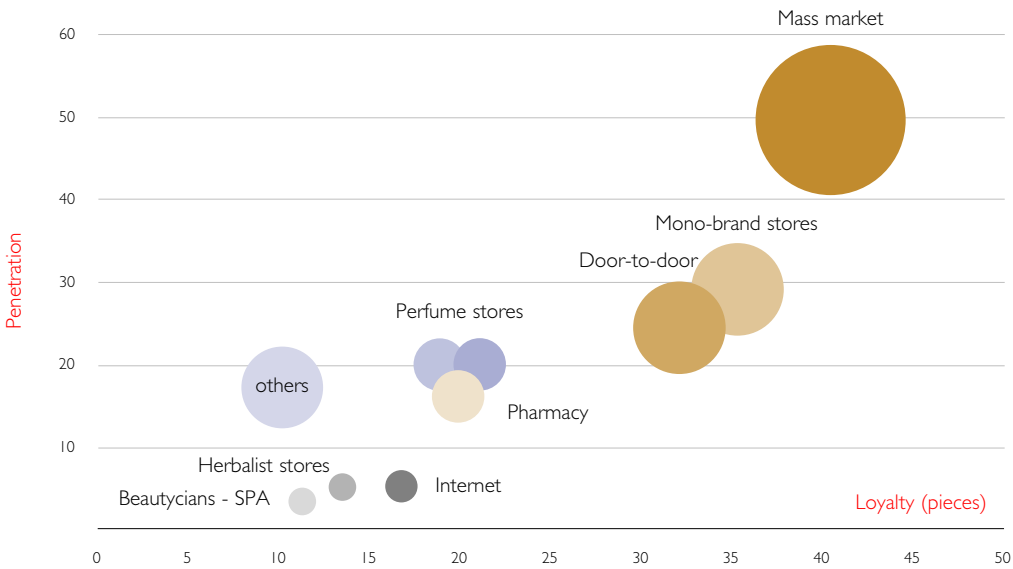
Main reasons for making purchases

Source: Statistics Dept. processing of GfK data



Penetration of main purchase channels for cosmetics and customer loyalty

Source: Statistics Dept. processing of GfK data

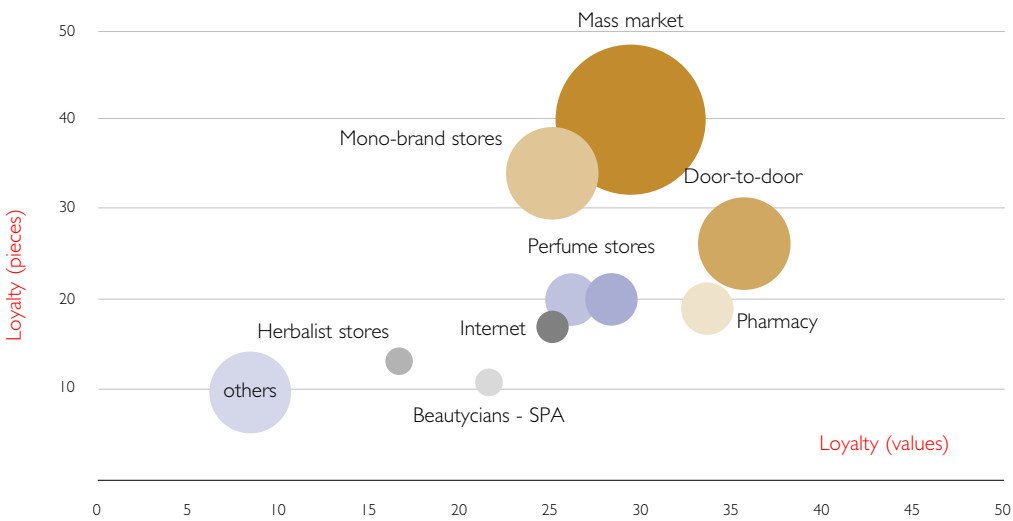


Survey data connecting buyer motivation with loyalty indexes provides interesting insight. For example, the mass market recorded the highest percentage as regards buyer motivation based on habit, which explains the higher penetration and higher loyalty index as regards the number of items. Mono-brand stores recorded the highest figure for motivation related to appeal at the sales outlet ("seen in store"), and in fact these outlets offer a winning mix of customer service - a high price/quality ratio - and strong visual merchandising. In fact, mono-brand stores also rank first in classifications on spending loyalty, in terms of value and number of items.

Door-to-door sales also perform well in terms of loyalty, and at times affected by the crisis, this channel has been able to capture the habits and confidence of consumers.

Expenditure in different purchase channels

Source: Statistics Dept. processing of GfK data



BEAUTY SALONS AND HERBALIST STORES APPROACH

After its study on "loyal" or "occasional" customers of Italian perfume stores, Alias analysed the approach to natural cosmetics/herbalist stores and to beauty salons during the first quarter of 2014.

In its survey on herbalist store customers, Alias explains that the use of natural cosmetics is part of a behaviour and awareness focussing on health, even if considerable ignorance of the natural cosmetics sector, often related to scepticism or resignation, is reported. After examining the criteria for selecting natural cosmetics, the survey considers some new concepts for herbalist stores, confirming the many opportunities that still exist to develop this channel, particularly its identity.

Likewise, the survey of beauty salons, besides investigating the experience at salons and the characteristics that most attract customers, focuses on the importance of assessing the effectiveness of treatments, an aspect which is fundamentally important in winning back customers who in the last few years have stopped visits to salons - not only due to the negative economic situation. Indications from work groups are also worth analysing: for example, loyalty is related to the professionalism of the beautician and his/her ability to impartially monitor results achieved.

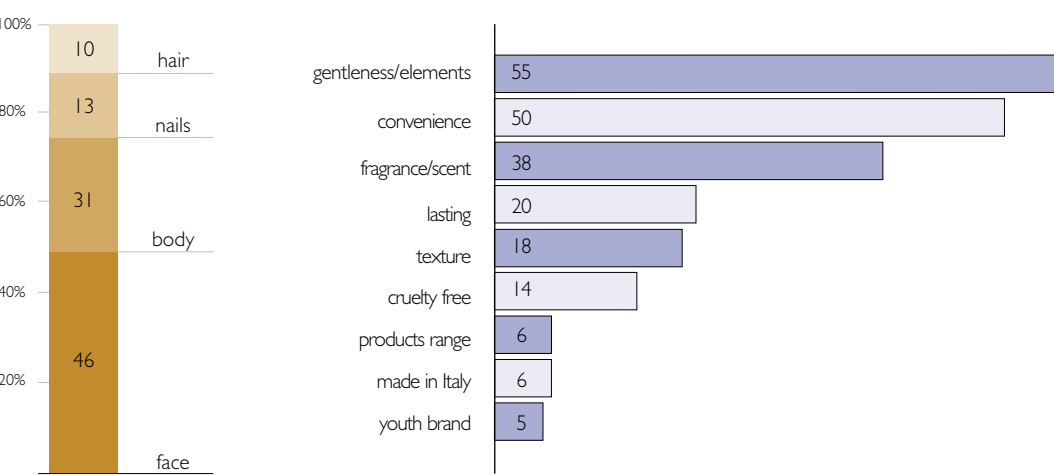
WEB AND MONO-BRAND STORES

In the last few years, single-brand cosmetics stores have been increasingly successful. This performance, reflected by a significant increase in turnover and the launch of new brands, has also been confirmed by the Internet's focus on these new outlets. In order to investigate the opinion of Internet users as regards single-brand cosmetics stores and the products they sell, the company Tote Next collected 2,000 comments posted by consumers on main Italian online forums and communities, over the last 12 months. The main evidence and a summary graph are shown below:

- generally the comments analysed were lengthy (approximately 250 words per comment). In most cases, the users evidently wanted to give a real "all-round" review of the products and their brands;
- the goods' categories most frequently commented by users were facial products (46%), followed by body care products (31%) and in smaller percentages, nail products (13%) and hair products (10%);
- facial products referred to eye products (27%), followed by skincare products (24%), other make-up products (22%) - excluding lip products - and to a lesser extent to cleansing products (15%) and lip products (12%).

Categories and main topics of discussion on the web about cosmetics distributed by mono-brand stores

Source: Statistics Dept. processing of Tote Next data, values expressed in %



BEAUTY REPORT 2014

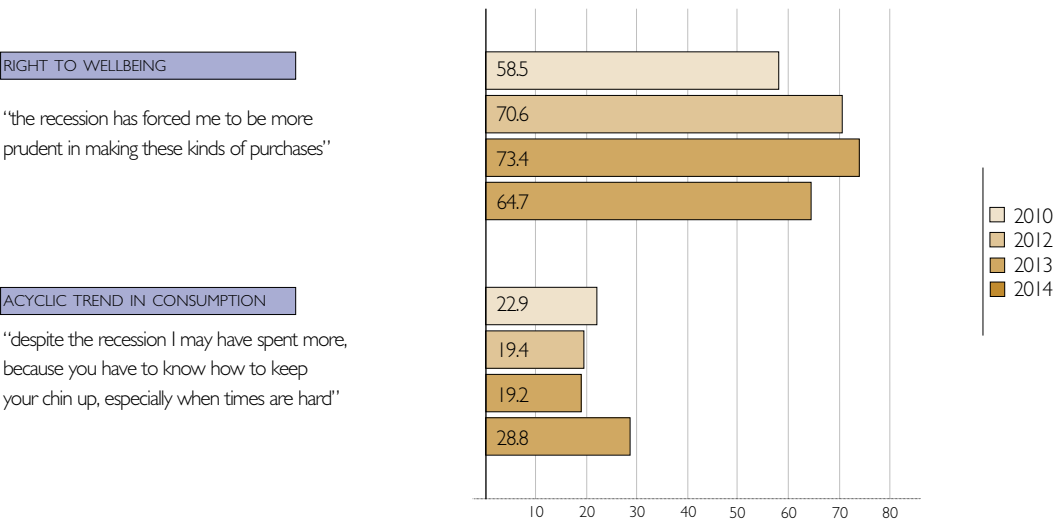
On 17 June 2014, the fifth Report on the value of the Italian Cosmetics Industry, promoted by Cosmetica Italia and produced by the company Ermeneia - Studi & Strategie di Sistema, was presented. Main results are outlined below:

- 1) the cosmetics industry is consolidating its performance, despite uncertainties on the domestic market;
- 2) the behaviour of companies reflects the positive effects of holding up to the crisis, which have gradually accumulated over the years and have been used by companies to grow;
- 3) the non-cyclical nature of consumer spending on cosmetics has picked up, after the "careful" approach taken over the last two years;
- 4) sales channels are acting to encourage a "combined logic" of consumers, who want a new pattern where their wellness is still at the fore but compatible with the lower budgets available to them.

Two summary graphs are shown below.

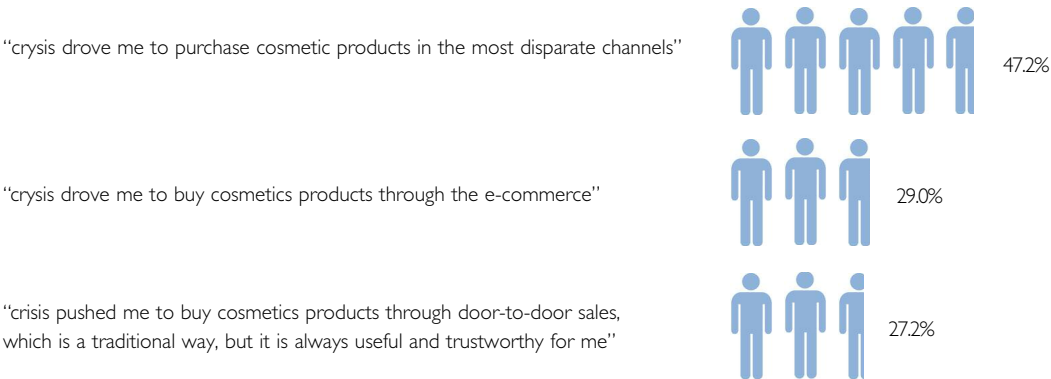
Spending behaviour returns to a non-cyclical pattern

Source: Statistics Dept. processing of 2014 Ermeneia data, values expressed in %



The "combination" behaviours between different channels

Source: Statistics Dept. processing of Ermeneia data sum of opinions "I strongly agree + I quite agree", from 2014 data, as a %



Imports and exports

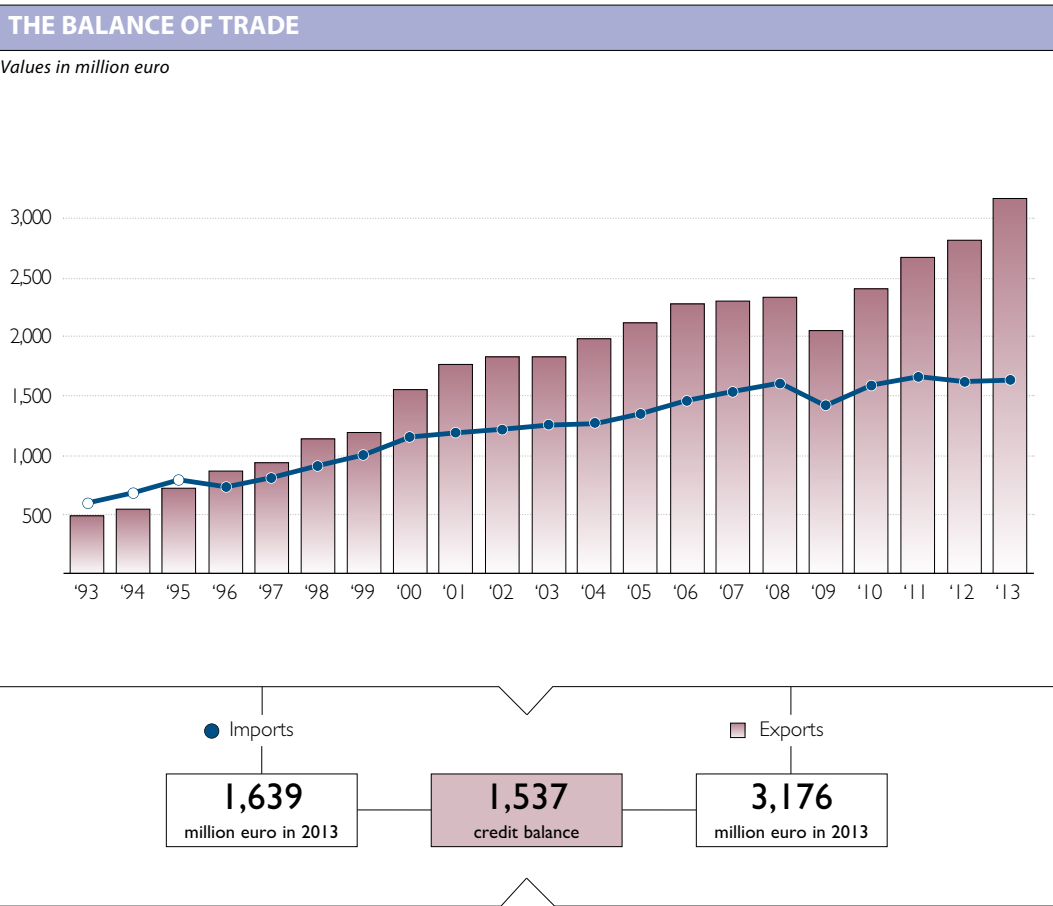
Analysis of foreign trade data is based on statistics processed each year by the Statistics Dept. based on figures from ISTAT. ISTAT periodically applies corrections made, also during the period when surveys are conducted, revising figures of previous years: thus the statistics produced by Cosmetica Italia adjust values of relative years. Apart from rare occasions, the weight of deviations is always marginal.

After three consecutive years marked by a strong recovery in exports, this segment further increased in 2013, exceeding the threshold value of 3 billion euro. In fact exports of Italian cosmetics reached a figure of 3,176 million euro, with an 11% increase. The final figures for quantities are significant: an increase of 17.5% was reported confirming the focus on internationalisation, not only on a marginal level.

In line with figures for the previous year, imports totalled 1,639 million euro, up 0.8% compared to 2012, and bolstered by a more significant increase in quantities, near to 6%.

Due to fewer tensions on foreign markets, the trade balance for the cosmetics industry confirmed the trend that started in 1996, when the value of exports of cosmetics exceeded the value of imports. In 2013, this balance was close to 1,540 million euro, and is still well above many similar goods' categories.

The gradual recovery of some foreign markets, despite an overall uncertainty, clearly contributed to Italy's trade performance, which improved considerably after the physiological decline of 2008-2009.



Processing by Cosmetica Italia Statistics Dept. of ISTAT data

Safe formulations and continual product innovation have helped retain shares on individual markets and driven performance in new areas of excellence, confirming the quality of Italian products in the cosmetics industry.

The export/turnover ratio in 2013 was equal to 34.2%, the highest figure for the last decade and no doubt boosted by the improved trend of major European markets and rapidly developing markets in Africa, the Middle East and Asia. The value is still low as regards the cosmetics industry's focus on internationalisation processes, yet is positive in terms of new opportunities for development on foreign markets.

In 2013, the product types that most contributed to export performance were toilet waters and eau de colognes with a total volume of 558 million euro and an increase of more than 14%, creams and other products, with an increase of 4.7% and a value close to 565 million euro, and eye make-up products up 8.9%, with a value going up from 183 million euro in 2010 to the current figure of 286 million. A negative performance was instead registered for body deodorants, down by 13.4% with a value of 71 million euro and bath preparations, down by 14.9%.

Exports of hair products picked up: shampoos performed well, up 5.7% and accounting for more than 153 million euro, in addition to lacquers (with a value close to 30 million) and the combined category of hair lotions and other products for haircare, which came close to 440 million euro and reported an increase just under 6%. Figures for hair preparations fell slightly, by 2.7%, with a value just under 8 million euro.

In 2013, foreign trade flows continued to confirm the sudden changes in economic tensions of individual countries which were all able to tackle the financial crisis of the last few years.

EXPORTS OF FINISHED AND SEMI-PROCESSED GOODS

Data compiled from January to December

	QUANTITY (tons)			VALUE (thousand euro)		
	2012	2013	variation	2012	2013	variation
Shampoo	75,015	79,505	6.0%	145,347	153,654	5.7%
Hair preparations	1,488	1,586	6.6%	8,128	7,908	-2.7%
Lacquers	7,521	10,204	35.7%	21,007	29,394	39.9%
Hair lotions and other products for hair care	81,343	82,576	1.5%	412,758	436,441	5.7%
Powders and compact powders	4,195	4,875	16.2%	103,795	109,161	5.2%
Creams and other products	45,363	47,596	4.9%	539,590	564,887	4.7%
Lip make-up products	2,020	2,285	13.1%	74,927	88,101	17.6%
Products for eye make-up	8,173	7,878	-3.6%	262,908	286,405	8.9%
Nailcare products	3,127	3,458	10.6%	39,108	47,150	20.6%
Toilet soaps	73,262	112,526	53.6%	131,639	183,218	39.2%
Bath preparations	27,643	36,599	32.4%	59,824	77,247	29.1%
Personal deodorants	13,883	14,402	3.7%	71,484	74,693	4.5%
Toothpastes	3,779	3,659	-3.2%	20,663	22,322	8.0%
Other preparations for oral hygiene	50,616	65,369	29.1%	96,028	125,693	30.9%
Shaving, pre-shave and after shave products	14,311	13,424	-6.2%	47,529	40,413	-15.0%
Perfumes and eau de parfums	9,055	9,013	-0.5%	245,045	263,031	7.3%
Toilet waters and eau de colognes	18,467	21,352	15.6%	488,615	558,210	14.2%
Other perfume and toiletry products	18,014	20,825	15.6%	92,295	108,239	17.3%
TOTAL EXPORTS	457,274	537,130	17.5%	2,860,690	3,176,168	11.0%

Processing by Cosmetica Italia Statistics Dept. of ISTAT data

The most significant imports, as regards value, were creams, up by 2.0% and accounting for over 533 million euro, and toilet waters and eau de colognes, down by 8.1% and with a value close to 208 million euro.

Europe is the main market for exports of cosmetics, with 2,150 million euro, thanks to a considerable recovery in demand from historically important countries such as Germany, France and the United Kingdom. For the first year, all top 10 export countries recorded positive trends, often with double-digit figures.

The United Arab Emirates picked up considerably (+26.1%), with a value close to 100 million euro, as well as the Netherlands (+14.0%) and Spain (+14.8%): the volumes for these countries are improving, above all as regards the internationalisation policies of companies in the sector. On average, growth for these three major players in the international cosmetics industry, has exceeded 40% in the last three years.

Generally speaking, the increase in values of exports from Italy was uniform: Asia, with a value of 560 million euro, reported an increase of 9.5%; America, with a value close to 340 million euro, reported an increase of 3.7%, while Africa recorded a strong increase in Italian exports, with a figure up by 19% over the previous year. Oceania was the only nation to record a decrease, of 11.6%, with a total value of 43 million euro.

A ten-year comparison of main export markets in Asia, in the context of the Association's internationalisation plan, is striking: the total value of China, Singapore and Hong-Kong went up from 53 million euro in 2003 to 195 million euro in 2013; this increase will no doubt go on while the economies of these nations continue their significant growth trend.

IMPORTS OF FINISHED AND SEMI-PROCESSED GOODS

Data compiled from January to December

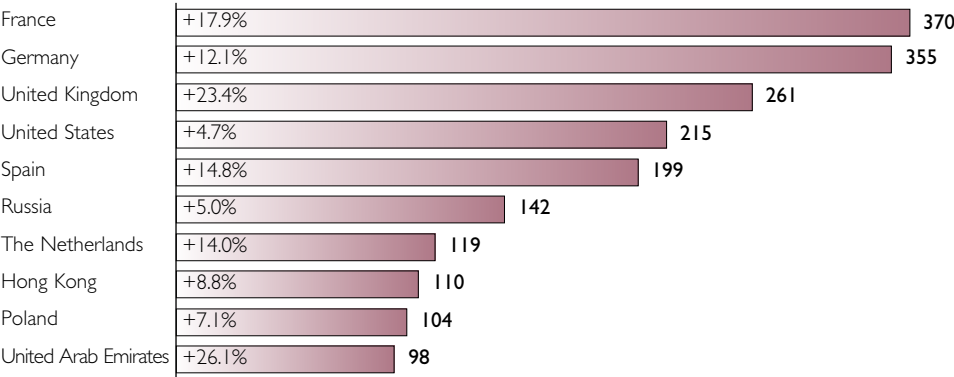
	QUANTITY (tons)			VALUE (thousand euro)		
	2012	2013	variation	2012	2013	variation
Shampoo	41,934	40,732	-2.9%	87,534	82,577	-5.7%
Hair preparations	383	333	-13.0%	2,299	2,008	-12.6%
Lacquers	1,892	1,499	-20.8%	7,533	6,838	-9.2%
Hair lotions and other products for hair care	30,226	31,901	5.5%	122,788	127,460	3.8%
Powders and compact powders	1,252	1,445	15.4%	23,745	22,892	-3.6%
Creams and other products	42,210	42,922	1.7%	522,847	533,491	2.0%
Lip make-up products	876	788	-10.0%	42,812	39,576	-7.6%
Products for eye make-up	1,926	1,752	-9.0%	86,655	91,487	5.6%
Nailcare products	3,613	3,457	-4.3%	65,816	63,128	-4.1%
Toilet soaps	21,369	22,401	4.8%	39,864	42,658	7.0%
Bath preparations	13,804	15,155	9.8%	29,525	30,397	3.0%
Personal deodorants	8,128	8,379	3.1%	54,948	56,275	2.4%
Toothpastes	26,672	29,289	9.8%	90,120	99,145	10.0%
Other preparations for oral hygiene	7,365	11,011	49.5%	36,508	45,497	24.6%
Shaving, pre-shave and after shave products	4,496	3,913	-13.0%	21,962	18,825	-14.3%
Perfumes and eau de parfums	7,744	12,056	55.7%	123,649	127,724	3.3%
Toilet waters and eau de colognes	7,809	7,859	0.6%	226,037	207,839	-8.1%
Other perfume and toiletry products	6,676	6,944	4.0%	41,411	41,020	-0.9%
TOTAL EXPORTS	228,376	241,836	5.9%	1,626,052	1,638,836	0.8%

Processing by Cosmetica Italia Statistics Dept. of ISTAT data

Areas of internationalisation

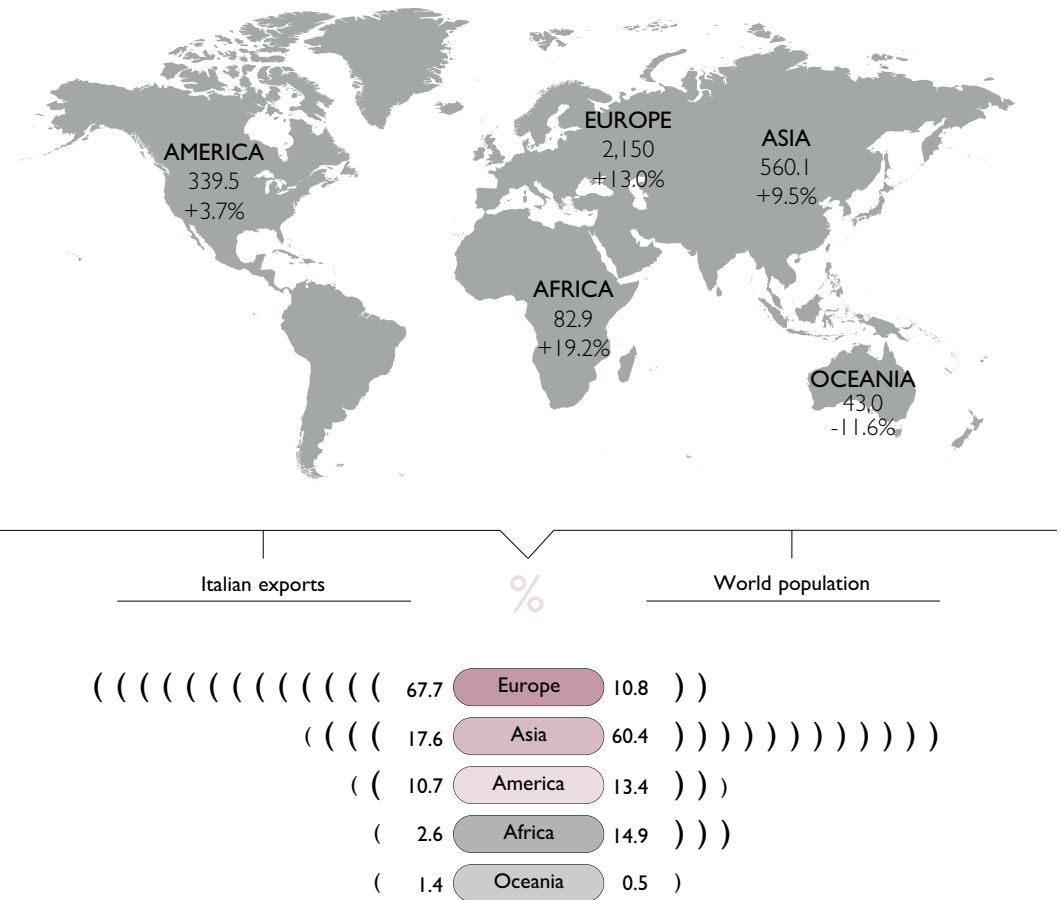
ITALIAN COSMETICS INDUSTRY EXPORTS - top 10

Values in million euro



INTERNATIONAL COSMETICS TRADE FLOWS

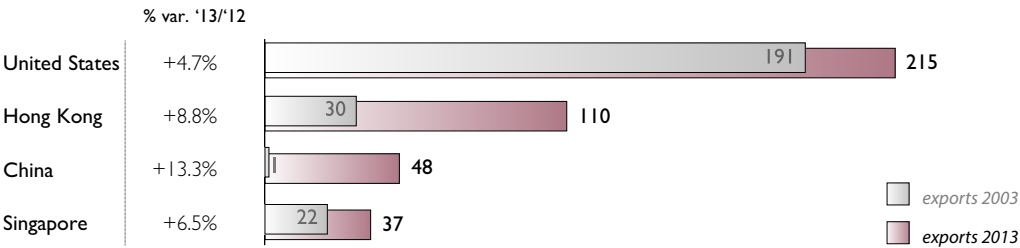
Exports - values in million euro



Processing by Cosmetica Italia Statistics Dept. of ISTAT data

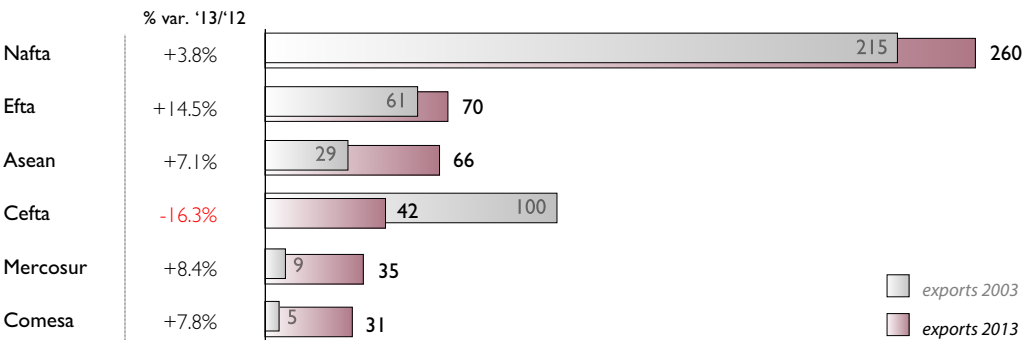
INTERNATIONALISATION PLAN COUNTRIES: 2003-2013

Values in million euro



GEO-ECONOMIC AREAS: 2003-2013

Values in million euro

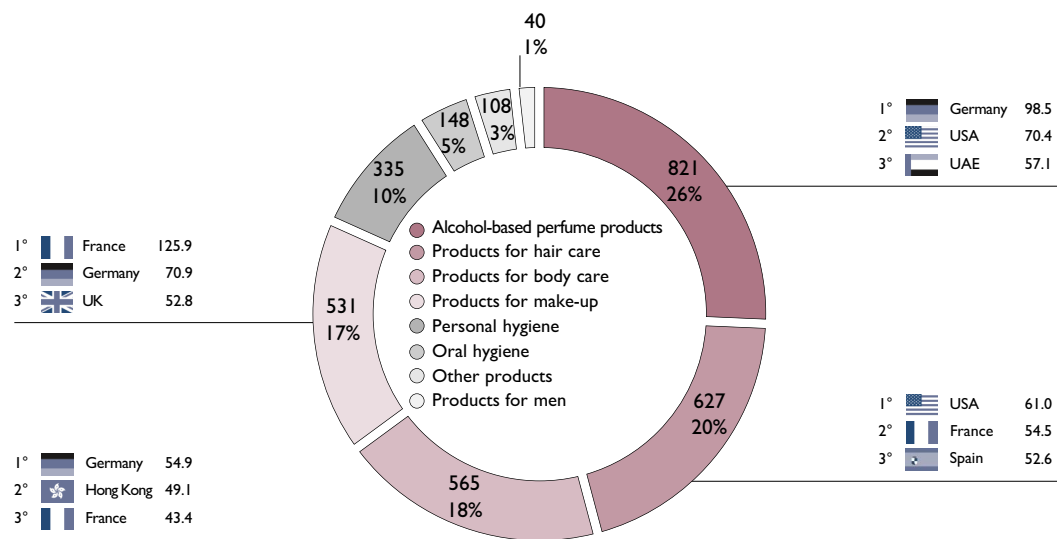


Notes

1. NAFTA members: Canada, Mexico, United States
2. ASEAN members: Birmania, Brunei, Cambodia, Philippines, Indonesia, Laos, Malaysia, Singapore, Thailand, Vietnam
3. EFTA members: Iceland, Liechtenstein, Norway, Switzerland
4. CEFTA members: Croatia, Macedonia, Moldova, Serbia, Bosnia and Herzegovina, Montenegro, Albania, Kosovo
5. MERCOSUR members: Argentina, Brazil, Paraguay, Uruguay
6. COMESA members: Burundi, Comoros, Congo, Egypt, Eritrea, Ethiopia, Djibouti, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe

BEST IMPORTERS BY MACRO CATEGORY

2013 exports - values in million euro



Exports and “Made in Italy”

The growth in exports of Italian cosmetic products is due, besides the global recovery in consumption, to qualified products, safe formulations, continual investment into research and innovation and the ability to meet the most wide-ranging needs of markets, in terms of service, and as regards production lots and the specific requirements of local consumers.

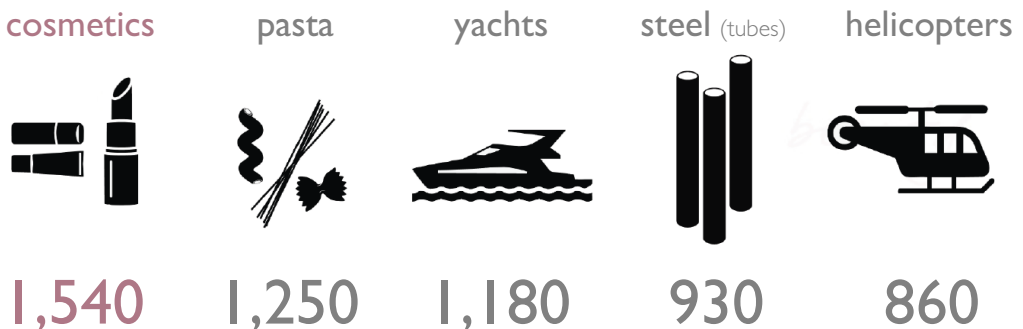
In 2013, besides the increase in the value of exports, for the first time ever, quantities went up considerably: by 17.5%, to account for a volume just under 540 thousand tons.

The continual increase in exports of cosmetics, up by 11% and accounting for a value of 3,176 million euro, had a positive effect on the balance of payments (difference between exports and imports): in 2013, the trade balance generated by cosmetics companies exceeded 1,500 million euro, which is a remarkable result and far higher than important sectors such as pasta (1,250), steel tubes (930), helicopters (860) and yachts (1,180).

A comparison between export values in 2003 and 2013 show developments in Italian exports of cosmetics. Besides a general development, values went up from 1,830 million euro to 3,176 million euro, and specialisation levels per product improved, with perfumes ranging first with 26% of exports, followed by hair products which went up from 15% to 20%; products for body care reported a slight downturn, accounting for 18%, while make-up products increased from 14% to 17%.

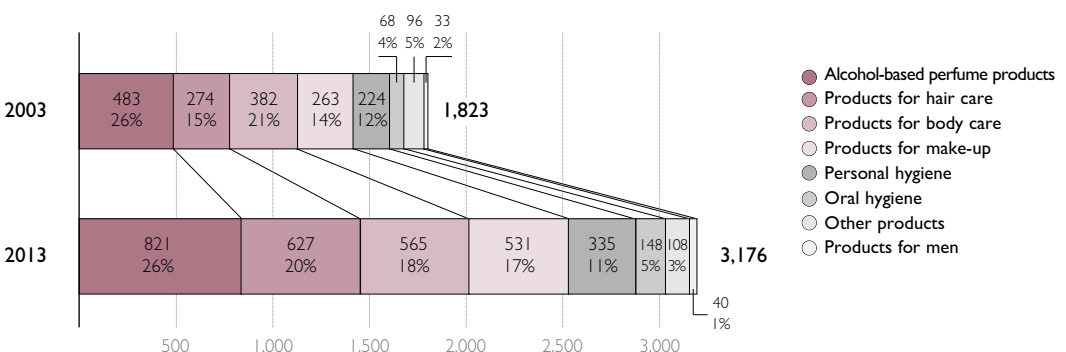
ITALIAN EXCELLENCES: FOREIGN CREDIT BALANCE

Difference between Italian exports and imports in 2013 - values in million euro



COSMETICS EXPORTS: 2003-2013

Values in million euro



Advertising investments

For some time now, Cosmetica Italia's Statistics Dept. has been processing data on investments made in advertising in the cosmetics industry, based on data from Nielsen. Each year, Nielsen adjusts previous figures, so it is not possible to guarantee an exact comparison with previous years. The composition of some product families may also be affected by these adjustments, particularly as regards past figures. However, the quality of trends and their absolute significance remains the same.

In 2013, investments in advertising in the cosmetics industry fell by 7.7% with a value just under 460 million euro, which accounts for 45% of the person macro-sector, which in turn, decreased by 12.7%, still covers 17.5% of total investments in advertising.

The cosmetics industry, at a time of confirmed uncertainty, has recorded a less negative trend than other industries of equal weight and, as in the past, has confirmed its focus on advertising compared to other important sectors such as the food industry (which drastically reduced investments by more than 14%), and durable goods, down by more than 16% compared to 2012.

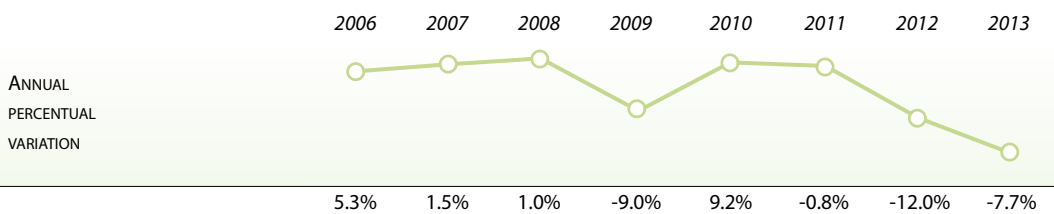
TRENDS IN THE MACRO-SECTORS - commercial advertising in Italy

Values in thousand euro; Nielsen data

	2012		2013		% var.
	net invest.	quota %	net invest.	quota %	
Activity/services	1,776,779	26.9	1,672,471	28.8	-5.9
Consumer durables	1,149,655	17.4	961,088	16.6	-16.4
Mass consumption	1,653,028	25.1	1,455,564	25.1	-11.9
of which Food	1,170,497	17.7	1,001,997	15.2	-14.4
of which Drug	482,531	7.3	453,567	6.9	-6.0
Personal (of which Cosmetics 458,641)	1,163,730	17.6	1,015,562	17.5	-12.7
Leisure	869,769	13.2	701,791	12.1	-19.3
TOTAL COMMERCIAL ITALY	6,612,961	100.0	5,806,476	100.0	-12.2

ACTIVITY/SERVICES: distribution, authorities/institution, finance/insurance, industry/construction, prof. services, telecommunications, various; CONSUMER DURABLES: housing, cars, domestic appliances, information technology/photography, motorbikes/vehicles; MASS CONSUMPTION: food, beverages/alcoholic beverages, household, toiletries; PERSONAL: clothing, personal care, pharmaceuticals/health products, personal articles; LEISURE: games/school articles, media/publishing, leisure pursuits, tourism/travel.

NET ADVERTISING INVESTMENT FOR COSMETIC PRODUCTS IN CLASSICAL MEDIA



Cosmetics account for an advertising investment value which is only second to that of the food industry, automotive industry and telephony, with a ratio of investments/turnover of 4.9%, which is far higher than important Italian manufacturing segments such as fashion, eye-wear and footwear.

The effects of the international financial crisis, which have had a strong impact on national consumption, have also influenced taxation, with inevitable effects on tier-two investments, such as advertising. However the efforts made by companies to maintain a demand for cosmetics, with targeted advertising actions, often rationalising planning and seeking specific opportunities in individual channels, are evident.

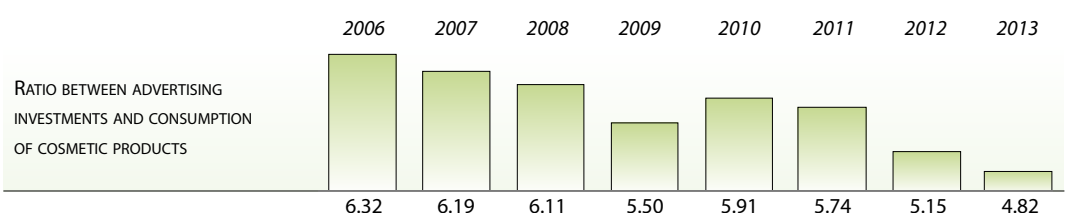
With the fall in investments, the level of advertising pressure in 2013, i.e. the ratio between spending on cosmetics and investments in advertising, was the worst of the last few years, accounting for 4.82%.

COSMETICS COMMERCIAL ADVERTISING

Values in thousand euro; Nielsen data

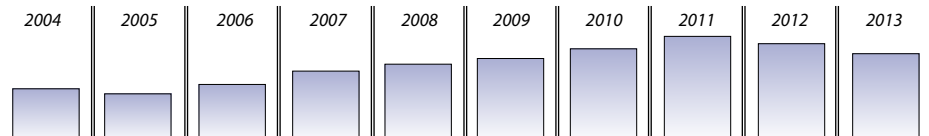
	2012	% share	2013	% share	% var.
Printed press	103,351	20.8	88,828	19.4	-14.1
<i>Daily newspapers</i>	12,641	2.5	13,477	2.9	6.6
<i>Periodicals</i>	90,461	18.2	75,003	16.4	-17.1
<i>Specialised press</i>	249	0.1	348	0.1	39.8
Television	363,841	73.2	336,453	73.3	-7.5
<i>Public TV</i>	55,289	11.1	50,881	11.1	-8.0
<i>Commercial TV</i>	252,097	50.7	225,291	49.1	-10.6
<i>Satellite TV + DTT</i>	56,456	11.4	60,281	13.1	6.8
Radio	8,219	1.7	6,358	1.4	-22.6
Posters and hoardings	7,058	1.4	6,940	1.5	-1.7
Cinema	1,477	0.3	1,935	0.4	31.0
Internet and direct mail	13,174	2.7	18,127	4.0	37.6
TOTAL MEDIA	497,120	100.0	458,641	100.0	-7.7

PERCENTAGE ADVERTISING PRESSION INDEX



Cosmetics consumption evolution on tradition channels

Note: since 2007, historical values have been revalued, incorporating trends and statistics of new phenomena that are becoming increasingly important. The overall increase compared to historical data, justified in the sections on various channels, and progressively weighted, was approximately 455 million euro in 2011.

HISTORICAL VALUES AND TRENDS										
Consumption in million euro, VAT included										
Total	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
										
	7,330.1	7,248.9	7,408.2	7,701.0	7,926.0	8,070.8	8,197.3	8,362.1	8,227.7	8,164.2
	2.9%	-1.1%	2.2%	4.0%	2.9%	1.8%	1.6%	2.0%	-1.6%	-0.9%
Hair and scalp care	1,186.9	1,183.0	1,168.4	1,174.0	1,196.0	1,206.6	1,185.3	1,177.1	1,157.0	1,139.8
	1.5%	-0.3%	-1.2%	0.5%	1.9%	0.9%	-1.8%	-0.7%	-1.7%	-1.5%
Products for face care	1,078.4	1,109.2	1,152.9	1,198.6	1,213.1	1,223.5	1,242.7	1,263.4	1,251.3	1,251.3
	4.8%	2.9%	3.9%	4.0%	1.2%	0.9%	1.6%	1.7%	-1.0%	0.0%
Products for facial make-up	289.4	289.3	298.9	308.2	336.5	343.7	368.1	381.0	392.0	390.0
	6.3%	0.0%	3.3%	3.1%	9.2%	2.1%	7.1%	3.5%	2.9%	-0.5%
Make-up packs	45.6	51.2	52.6	35.4	37.4	33.2	39.3	47.7	46.4	48.3
	5.3%	12.4%	2.7%	-32.7%	5.5%	-11.0%	18.1%	21.4%	-2.6%	4.0%
Products for eye make-up	239.1	235.2	240.0	242.6	261.4	274.3	293.1	313.6	330.4	349.4
	4.9%	-1.7%	2.0%	1.1%	7.7%	4.9%	6.9%	7.0%	5.3%	5.7%
Products for lip care	302.1	288.3	279.2	273.6	271.0	280.0	281.0	286.7	285.2	279.0
	3.0%	-4.6%	-3.1%	-2.0%	-1.0%	3.3%	0.3%	2.0%	-0.5%	-2.2%
Products for hand care	161.7	153.8	155.4	169.0	185.1	202.2	225.1	247.4	246.1	242.8
	3.5%	-4.9%	1.0%	8.7%	9.6%	9.2%	11.3%	9.9%	-0.5%	-1.4%
Products for body care	1,161.5	1,129.6	1,173.8	1,250.4	1,305.5	1,344.3	1,354.1	1,385.7	1,356.4	1,334.9
	2.3%	-2.8%	3.9%	6.5%	4.4%	3.0%	0.7%	2.3%	-2.1%	-1.6%
Products for body hygiene	1,018.6	1,008.5	1,019.8	1,051.4	1,065.4	1,090.6	1,092.9	1,113.1	1,087.8	1,065.9
	-1.7%	-1.0%	1.1%	3.1%	1.3%	2.4%	0.2%	1.8%	-2.3%	-2.0%
Products for oral hygiene	567.2	567.1	591.7	630.1	655.7	675.1	674.8	691.0	684.8	692.8
	6.7%	0.0%	4.3%	6.5%	4.1%	3.0%	0.0%	2.4%	-0.9%	1.2%
Skin cleansing products for infants	74.5	113.2	117.9	132.4	148.6	155.4	157.3	157.5	153.6	147.6
	-0.1%	51.9%	4.2%	12.3%	12.2%	4.6%	1.2%	0.1%	-2.5%	-3.9%
Products for men	279.0	210.6	212.1	219.0	220.4	217.5	212.8	207.0	192.2	179.4
	6.2%	-24.5%	0.8%	3.3%	0.6%	-1.3%	-2.1%	-2.8%	-7.1%	-6.6%
Alcohol-based perfume products	851.4	833.5	860.7	918.0	929.7	919.5	957.6	973.9	940.8	926.2
	4.3%	-2.1%	3.3%	6.7%	1.3%	-1.1%	4.1%	1.7%	-3.4%	-1.6%
Gift packs	74.6	76.5	85.0	98.2	100.2	104.9	113.2	117.2	112.5	116.9
	2.8%	2.5%	11.1%	15.5%	2.0%	4.7%	7.9%	3.5%	-4.1%	4.0%

Evolution of italian cosmetics trade

ITALIAN COSMETICS EXPORTS

Values in million euro, ISTAT data

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total exports	2,004.4 10.0%	2,144.0 7.0%	2,274.7 6.1%	2,296.8 1.0%	2,328.4 1.4%	2,054.2 -11.8%	2,404.1 17.0%	2,671.8 11.1%	2,861.1 7.1%	3,176.1 11.0%
<i>Products for hair care</i>	293.6 7.3%	294.8 0.4%	332.5 12.8%	365.1 9.8%	401.0 9.8%	395.5 -1.4%	467.1 18.1%	531.8 13.9%	587.2 10.4%	627.4 6.8%
<i>Products for make-up</i>	285.1 8.5%	309.0 8.4%	323.6 4.7%	350.5 8.3%	396.8 13.2%	318.9 -19.6%	364.9 14.4%	407.7 11.7%	480.7 17.9%	530.8 10.4%
<i>Products for body care</i>	444.6 16.3%	505.0 13.6%	541.9 7.3%	516.2 -4.7%	468.7 -9.2%	422.8 -9.8%	492.7 16.5%	523.0 6.1%	539.6 3.2%	564.9 4.7%
<i>Personal hygiene</i>	220.4 -1.5%	208.4 -5.5%	252.7 21.3%	261.5 3.5%	271.2 3.7%	247.3 -8.8%	243.5 -1.5%	261.9 7.6%	262.9 0.4%	335.2 27.5%
<i>Oral hygiene</i>	67.6 -0.9%	63.7 -5.8%	64.3 1.0%	54.3 -15.5%	46.8 -13.8%	91.4 95.2%	98.6 7.9%	113.3 14.9%	116.7 3.0%	148.0 26.8%
<i>Products for men</i>	36.4 11.3%	36.1 -0.8%	38.2 5.9%	40.7 6.5%	42.2 3.7%	41.2 -2.4%	44.7 8.6%	49.3 10.3%	47.5 -3.7%	40.4 -15.0%
<i>Alcohol-based perfume products</i>	559.1 15.8%	636.8 13.9%	627.5 -1.5%	611.7 -2.5%	603.7 -1.3%	456.1 -24.4%	604.6 32.5%	692.8 14.6%	733.7 5.9%	821.2 11.9%
<i>Other products</i>	97.0 0.7%	90.0 -7.2%	93.5 3.9%	96.5 3.2%	97.9 1.4%	80.6 -17.6%	87.0 7.9%	91.2 4.8%	92.3 1.2%	108.2 17.3%

ITALIAN COSMETICS IMPORTS

Values in million euro, ISTAT data

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total imports	1,283.6 2.2%	1,369.7 6.7%	1,453.0 6.1%	1,515.0 4.3%	1,581.5 4.4%	1,408.8 -10.9%	1,577.6 12.0%	1,660.2 5.2%	1,625.9 -2.1%	1,638.8 0.8%
<i>Products for hair care</i>	201.7 -4.9%	217.2 7.7%	240.8 10.9%	230.5 -4.3%	234.7 1.8%	220.3 -6.1%	216.1 -1.9%	236.9 9.6%	220.2 -7.1%	218.9 -0.6%
<i>Products for make-up</i>	130.2 -10.9%	144.6 11.1%	147.6 2.0%	155.2 5.2%	144.1 -7.2%	144.3 0.1%	173.2 20.1%	195.9 13.1%	219.0 11.8%	217.1 -0.9%
<i>Products for body care</i>	404.8 11.9%	430.2 6.3%	464.9 8.0%	504.1 8.4%	537.3 6.6%	469.7 -12.6%	517.8 10.2%	529.4 2.3%	522.8 -1.2%	533.5 2.0%
<i>Personal hygiene</i>	111.8 -14.2%	110.9 -0.8%	127.9 15.3%	132.5 3.6%	143.7 8.5%	119.6 -16.8%	121.6 1.6%	129.7 6.7%	124.3 -4.1%	129.3 4.0%
<i>Oral hygiene</i>	84.5 4.6%	88.4 4.6%	93.9 6.2%	96.8 3.1%	119.9 23.9%	108.7 -9.3%	115.4 6.1%	130.2 12.9%	126.6 -2.8%	144.6 14.2%
<i>Products for men</i>	27.4 -10.0%	31.3 14.5%	28.1 -10.5%	30.9 10.1%	25.8 -16.6%	23.5 -9.0%	23.4 -0.2%	22.8 -2.6%	22.0 -3.6%	18.8 -14.3%
<i>Alcohol-based perfume products</i>	261.9 10.2%	291.2 11.2%	299.9 3.0%	310.8 3.6%	328.6 5.7%	278.5 -15.2%	359.2 29.0%	374.1 4.2%	349.7 -6.5%	335.6 -4.0%
<i>Other products</i>	61.3 8.7%	55.3 -9.9%	49.7 -10.1%	53.9 8.5%	47.3 -12.3%	44.9 -5.1%	50.3 11.9%	40.7 -19.0%	41.4 1.8%	41.0 -0.9%

