

IN FOCUS...

SCIENTISTS EXTRACT VANILLA FRAGRANCE FROM COW DUNG

Japanese scientists at the International Medical Center of Japan say they have successfully undertaken a co-operative development program to extract vanilla fragrance from cow dung with Sekisui Chemical Company. Vanillin is often used to fragrance a range of personal care products - from high-end perfumes, to hair care and skin care formulations. However, in recent years vanilla beans have become an increasingly difficult commodity to source, as crops have historically fluctuated from year-to-year, leading to unstable pricing. This problem has led to the big fragrance companies developing a range of synthetic vanillin fragrances, but with the rise in demand for naturally derived ingredients combined with the sourcing problems, researchers have been chasing other ways to develop the extract. Although the researchers say that the bi-product could not be used in food, they claim the chemical make up of the compound is exactly the same as vanilla bean-derived vanillin. Another major advantage to personal care producers is the cost of the cow dung-derived vanillin. The scientist claims that, because of the availability of the dung and the simplicity of the extraction process, it is around half the price of vanilla bean-derived extract. The research work was carried out on the basis that the excrement of grass-eating animals is rich in lignin, a chemical compound that exists in plants and is used to produce vanilla aroma. In fact the solution solves two problems, as cow farmers are often at a loss as to how to dispose of the vast quantities of dung involved in cattle farming, allowing the dung to be recycled, while also putting it to use as a potential means of cash revenue. The personal care industry is no stranger to animal wastage, with a specific type of whale vomit proving to be one of the most highly treasured fragrance extracts.

Novis Cosmetics News: March 08, 2006



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1. INDUSTRY NEWS

1.1 GREATER CHINA: HK, CHINA AND TAIWAN

1.1.1 JANUARY-FEBRUARY RETAIL SALES OF CONSUMABLES UP 12.5 PERCENT

China's total retail sales of consumer goods reached 1264.4 billion yuan in the first two months of this year, up 12.5 percent from last year, according to the National Bureau of Statistics (NBS). Consumer retail sales grew by 15.5 percent in January and 9.4 percent in February compared with the same period last year. Consumer retail sales in cities came to 849.6 billion yuan, up 13.2 percent; and that at county level or below were 414.7 billion yuan, up 11.1 percent. The sales volume of food, clothing and daily necessities rose 13.5 percent, 16.6 percent and 24.5 percent respectively. Retail sales of cereals, oils, meat, poultry and eggs increased by 18.9 percent and 7.7 percent respectively. Retail sales of garments and textile products, cultural and office supplies, and sports and entertainment goods went up 16.6 percent, 13 percent and 16.2 percent. Retail sales of everyday articles rose 15 percent; that of home appliances, audio and video equipment, up 17.3 percent; that of cosmetics, up 16.6 percent; furniture, up 11.8 percent; and jewellery, up 23 percent; telecom equipment, up 24.8 percent; automobiles, up 29.5 percent; and petroleum and related products, up 40.6 percent.

Anbound-China Market: March 23, 2006

1.1.2 MINTEL IDENTIFIES KEY FOOD INNOVATIONS FOR 2006

Brain-power foods, portion control and products targeting the senior population are likely to be the food sectors to look out for in 2006, according to Mintel. Latest research from the research firm's GNPD (Global New Products Database) shows that these sectors accounted for a great deal of innovation last year.

www.Mintel.com

1.1.3 LUXURY GOODS MAKERS PRONOUNCE WAR ON CHINA COUNTERFEIT

The counterfeiting of high-end cosmetics and fragrances in China is big business and it is hitting luxury goods makers hard. But they are now fighting back harder too, and if a recent lawsuit involving Louis Vuitton Moet Hennessy Group (LVMH) in Beijing is anything to go by, the China authorities are starting to lend more support, too. A Chinese court recently handed out prison sentences and heavy fines to two men who were found guilty of exporting illegal copies of perfumes that are patented by LVMH. The move is unusual and many industry experts believe that it could be a sign that, after years of lobbying by the luxury goods industry, the China authorities are starting to make moves towards clamping down on the practice. According to reports in the China press, a court in Nantong, a small city near Shanghai, handed out a four-year prison sentence to Lebanese national Elbadoaoui Riad Mustapha together with a 60,000 fine, and gave a three-year sentence and a 30,000 fine to his business partner, Chinese national Chen Jun. The pair was accused of attempting to ship a container of perfumes to an unspecified overseas location with a market value of up to 500,000. UK-based law firm Lovells has represented LVMH in a number of its legal battles against counterfeit goods in China,

although it was not directly involved in this particular case. However, the firm does see this particular case as being an indicator those attitudes to counterfeit goods is changing in China.

Novis Cosmetics News: March 07, 2006

1.1.4 CHINA OUTLINES FIVE CATEGORIES OF PRODUCTS FOR DIRECT SELLING

The Ministry of Commerce (MOC) and the State Administration for Industry and Commerce (SAIC) have decided five categories of products for direct selling and the selling of any commodities not listed in the catalogue by direct selling enterprises will be treated as irregularity, announced MOC recently. The five categories of products are cosmetics (individual nursing products and skin and hair care products), health care food, sanitation articles (including individual sanitation article and cleaning article of life), health care apparatus and small kitchen utensils. MOC and SAIC will readjust the scope of products for direct selling at a proper time according to the development of direct selling industry and demand of consumers, MOC's Foreign Investment Department said. The regulation is expected to check the irregular operation of direct selling enterprises.

Asia Pulse : March 10, 2006

1.1.5 CHINA IS NOW L'ORÉAL'S TOP MARKET IN ASIA

French cosmetics manufacturer, L'Oreal, said China outstripped Japan as its No. 1 market in Asia in 2005. Its sales in mainland China reached US\$408m, a year-on-year increase of 15.2%, while Hong Kong sales rose to US\$98m. The company expects China sales to continue to grow at a double-digit pace this year.

EIU Business - News Analysis: March 20, 2006

1.1.6 CHINA ENDS LOW-PRICED SUGAR ERA

The price of white sugar in China's domestic market once surged to 5,800 yuan per ton from 2,800 yuan in the past several months. With the macro control measures taken by the government, the white sugar price dropped to some 5,000 yuan per ton at present. Industry sources predict that the domestic sugar price will keep at such a high level of 4,500-5,000 yuan per ton in the future, marking the end of low-priced sugar era in the country. It is reported that the spot price of white sugar started to climb since February 2005, which once went up to 5,800 yuan per ton. Meanwhile, the price of white sugar futures, traded at the Zhengzhou Commodity Exchange in central China's Henan Province, since January this year, was set at a high level of 5, 500-5,800 yuan per ton in the first few dealings.

China Economic Information Service: March 31, 2006

1.1.7 HONG KONG FEBRUARY RETAIL SALES FALL DUE TO LUNAR NEW YR EFFECT

Retail sales for February fell from a year earlier due to distortions caused by the timing of the Lunar New Year holidays, DBS investment strategist industry sources said. But the growth trend in retail consumption remains intact, based on the two-month sales figures showing an improvement over the year-earlier level, they said. The government has announced retail sales in February fell 3.1 pct by value to 16.2 bln hkd from a year earlier, while sales in volume terms were down by 4.9 pct year-on-year. A government spokesman attributed the decline to the distortion caused by the timing of the Lunar New Year holidays, which fell in January this year, against February last year. Data for the two-month period

show that among the product sectors, miscellaneous consumer durable goods registered the sharpest sales growth by volume of 8.9 pct.

AfxAsia: March 31, 2006

1.2 KOREA & JAPAN

1.2.1 JAPAN'S SPENDING BOOM CONFERS GLOBAL BENEFITS

Now, consumers and businesses are spending more. That is important, because their activity makes economic growth more sustainable: Even if exports were to slow due to problems in the U.S. or Chinese economies, domestic spending could keep Japan's economy chugging along. The new spending reflects big structural changes in Japan. Japan has also deregulated industries from financial services to food, sometimes under pressure from the U.S. It has loosened restrictions on large stores and opened the way for new types of financial products. Once known as a fortress for homegrown products, Japan's market is now more open to overseas companies and entrepreneurs. In the year ending March 31, 2005, imports were worth 10.2 percent of gross domestic product, the widest measure of economic activity, up from 6 percent a decade earlier. The figure is on track to reach 11 percent in Japan's current fiscal year

Wall Street Journal March 29, 2006

1.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

1.3.1 'GOV'T SHOULD LIMIT RETAILERS' PRIVATE LABEL PRODUCTS'

Gapmmi urges the government to limit the sales and production of private label products by modern retailers since such activities are worried to become part of long-term strategies to conduct vertical monopoly practices. The trend of producing and selling private label products has made Indonesian retailers rush in to develop their own private label products. Private label products usually are cheaper by 30%-40%.

Bisnis Indonesia Daily News: March 24, 2006

1.3.2 UNILEVER SETS ASIDE 4.5BN BAHT FOR ALL-YEAR MARKETING

Unilever Group of Companies has earmarked some 4.5 billion baht for this year's marketing activities, said the group's newly appointed chairman. Chairman of the Unilever Group of Companies in Thailand, disclosed that the budget for this year's marketing activities came directly from the group's big success during last year when the companies in the group earned more than 30 billion baht from the sales of a variety of consumer products. He said the group expects to grow between 8-10 percent this year after achieving growth-rate of 8 percent in 2005, and is also aimed at maintaining its number one position in 10 product categories, including hair shampoo, detergent, fabric softener, soap and shower cream. With last year's growth of 6 percent in Thai consumer products market, he said, the percentage of growth is considered to be at a good level. He added that Unilever, which is now using Thailand as its production base for Asian market, was

ready to invest more in Thailand and to further strengthen its business performance by increasing production capacity, which is now running at about 85 percent.

Business Day: March 22, 2006

1.3.3 CLEARER SKIN FROM CHITOSAN

With the help of nanotechnology you can be rid of those unwanted spots on the skin. Researchers at the National Nanotechnology Centre are trying to come up with antidotes to inflammatory skin diseases. Its director said that its team of researchers planned nano-scale use of titanium dioxide to treat acne. Titanium dioxide goes into the making of many skincare products such as sunscreen and protective lotions as it resists both UVA and UVB rays, but also being a natural absorber of oil, it lends itself to use in the treatment of acne. The team also hopes that titanium dioxide's nano size will ensure a better treatment than the usual methods. The team, working on this for a year now, found that titanium dioxide could be used without harming the skin. The cosmetics sector can derive the benefits of nanotechnology. To improve products, the centre is working on a project to develop nano-capsules from chitosan, or seashell waste. It is a key, wholesome ingredient in cosmetics. Chitosan-rich nano-capsules can also contain other ingredients, as required. The team is now synthesising chitosan for nano-capsule development.

The Nation: March 28, 2006

1.3.4 LOCAL COMPANIES OWN HALF OF THE 500 BEST-KNOWN BRANDS

Nearly half of the 500 best-known brands in Vietnam are Vietnamese companies, a survey by the Vietnam Chamber of Commerce and Industry (VCCI) reported. The survey also showed that Vietnamese companies hold three out of the selected 10 most famous brands in 10 production and service sectors. Results of the survey will be officially announced on April 5 in Hanoi at the awards ceremony, '2006 Vision'. The figures revealed that Vietnamese enterprises have been paying more attention to building brand names, considered a vital part of the open market economy. The VCCI survey selected 500 top brands from 10 sectors, including finance, banking and insurance, foodstuffs and drinks, cosmetics and pharmaceuticals, telecommunication and information technology, real estate, transport and fuel, fashion, non-electric durable products and consumer electrics. The organising board has also selected out the 10 best-known brands for every sector and 10 most recognised in 10 sectors.

VietNam Net Business News: March 24, 2006

1.3.5 KULIM TO BUILD OLEIC ACID PLANT IN PASIR GUDANG

Plantation firm Kulim (Malaysia) Bhd plans to build a RM17 million oleic acid plant to cater for the overseas markets demand. Oleic acid is mono unsaturated fatty oil used in food, artificial flavouring, detergents, fabric care and cosmetics. At the moment, there are only two companies in Malaysia producing oleic acid, with a combined annual capacity of 20,000 tonnes.

Business Times: March 03, 2006

1.3.6 SPLASH EYES ACQUISITION OF COSMETIC FIRM IN VIETNAM

Splash International Inc., the corporate vehicle of the Splash Group for its operations overseas, is in talks with a company based in Vietnam for a possible joint venture as part of efforts to further expand its presence in that country. Noel P. Manucom, associate vice-president for corporate planning and business development at Splash Corp., said the group hopes to acquire a medium-sized cosmetics company through a partnership with a Vietnamese firm. To further boost revenues, the Splash Group is also looking at new markets abroad like Thailand as next site for expansion. It is also keen on further expanding its presence in Indonesia in line with its bid to become a multinational firm. The group has already penetrated 17 countries worldwide including a joint venture in Indonesia and distributorships in Malaysia, Vietnam, Singapore and the Middle East. It is also looking at penetrating North America. Splash currently dominates the skin care Business in the Philippines with its whitening products under the brand names Extraderm, Maxi Peel, Skin White and BioLink. Each generates about P1 billion in sales.

CIBI News: March 31, 2006

1.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

1.4.1 MORE INDIANS TAKE TO LIVING IN LAP OF LUXURY

India is creating more billionaires and this is having a direct impact on consumption patterns as well. According to a recent report published by the Knowledge Company, there are around 1.6 million luxury households in India and this number is likely to cross 3 million by 2010. Each household earns about 45 lakh per year and they spend about Rs 4 lakh per year on luxury and 'very premium' goods and services. The survey was carried out in 12 cities and over 4,000 customers were interviewed. Moreover, the number of luxury households is growing at 14% on a year on year basis. The highest spends are in the segments of jewellery, clothing, digital accessories, timepieces, cosmetics and skin care products. And the new generation affluent consumers are mostly CEOs and senior executives in their thirties and forties, returning NRIs, entrepreneurs in new sectors, franchisees and small and medium retailers. The age group under consideration was between 25 and 55 years. Construction of luxury malls is also underway in India and this is also expected to boost sales of this category of goods. Most luxury consumers are concentrated in north and west India.

Times of India: March 20, 2006

1.4.2 FAST-MOVING CONSUMER GOODS SECTOR MAY GROW BY 10% A YEAR

The fast-moving consumer goods (FMCG) sector is projected to grow by over 60 percent till 2010. This translates to an annual growth of 10 percent over a period of five years. The fastest growing segments within the FMCG sector are expected to be healthcare, household care, male grooming, female hygiene and the chocolates and confectionery categories. The total size of the FMCG sector is expected to grow from around Rs56,500-crore in 2005 to Rs92,100-crore in 2010. Urban demand will be the key growth driver for the FMCG sector over the long-term.

Economic Times: March 11, 2006

1.4.3 VALUE-ADDED TAX'S WRONG WITH SUGAR

Consumers in India may soon have to pay value-added tax on sugar since the Budget for 2006-2007 has ensured that state governments will no longer receive any excise duty from the commodity. This clears the way for states to impose

four percent VAT on sugar, which would lead to a further price hike. The Ministry of Finance has clubbed together the basic excise duty of Rs34 per quintal and additional excise duty of Rs37 per quintal on sugar in the Budget for 2006-2007. The total basic duty will henceforth have to be deposited with the central exchequer. This amounts to a loss of Rs666-crore for state governments on consumption of 18 million tonnes of sugar.

Economic Times: March 01, 2006

1.4.4 ISKCON FORAYS INTO FOOD PROCESSING

The Eco-Agri Research Foundation of the International Society for Krishna Consciousness (Iskcon) has initiated work on setting up a food-processing facility at Mahadevapura near Srirangapatna where its model organic farm is located. The cost of setting up and operating the facility is estimated at about Rs5-6-crore. The foundation has around 500 farmer members who practice organic farming and they are reported to have an annual output of 100 tonnes.

Economic Times: March 29, 2006

1.5 PACIFIC: AUSTRALIA & NEWZEALND

1.5.1 MERCK PUTS THE COLOR INTO COLOR COSMETICS FOR 2007

South-African-based cosmetics providers have thrown some light on what to expect from the cosmetics world next year by predicting the colors and textures that should prove popular. The company's study, which fall in line with expectations in the chief markets it covers - including the US, China, Brazil and Japan - have been developed in collaboration with Peclers Paris, a global trends agency. Beauty products have a Fresh' feel with tender colours and light textures, according the company's Private concept. The company says that white crystal glittering effects enhance this means pastel eyeshadows, while there is also a clear focus on transparent and light textures on nails. Finally the Singular concept has led to bold colors which use intense pigments applied to eyes, lips or hair for a powerful vibrant effect that is now becoming increasingly fashionable for a range of eye shadow and other high-color products. Merck says it has created a range of demonstration products encapsulating the above themes for the face, eye, lips, nail hair and body in a range of colors that touch on warm oranges, golden beiges, opalescent pastels and strong greens.

NOVIS Cosmetics News: March 29, 2006

1.5.2 AUSTRALIAN SUPERMARKETS TO PUSH GENERIC-BRAND PRODUCTS

The proportion of generic-brand supermarket products is set to rise as Coles and Woolworths (ASX:WOW) push on with plans for their new "private label" ranges, consumer advocate CHOICE magazine says. CHOICE spokeswoman said these changes would probably result in savings for shoppers, but at the cost of some smaller brands, narrowing choice.

Asia Pulse: March 14, 2006

1.5.3 MYER AND MYER MELBOURNE SALE

Coles Myer announced the sale of the Myer department store business and Myer Melbourne to Newbridge Capital and The Myer Family Company for \$1,400 million. The brand will be owned by a consortium combining one of the worlds

leading private equity groups that has strong international department store experience in the US and UK, together with a long and proud connection between the Myer family and the Myer business, sources said.

AAP Company Announcements: March 13, 2006

2. PERSONAL CARE

2.1 GREATER CHINA: HK, CHINA AND TAIWAN

2.1.1 AVON APPROVED TO EXPAND ITS DIRECT-SALES NETWORK

The commerce ministry has confirmed that Avon Products, the world's largest door-to-door cosmetics seller, has been approved for a formal licence to expand its direct-sales network in China. Direct selling has been banned in China since 1998, following problems with pyramid-selling schemes in which many individuals lost large amounts of money. But in 2005 the government allowed Avon to resume its direct-selling business on a pilot basis in Guangdong province, Beijing and Tianjin. The move has galvanised other foreign direct sellers, with Nu Skin, Mary Kay Cosmetics and Amway all vying for licences of their own. Government regulations dictate that a direct-selling company must have US\$9.9m in registered capital, and that foreign players must have a minimum of three years' experience before they can apply for a licence.

EIU Business - News Analysis: March 20, 2006

2.1.2 NU SKIN TO BOOST NO. OF FRANCHISE STORES IN CHINA TO OVER 300

Nu Skin Enterprises, one of the five leading direct selling companies in the United States, plans to increase its number of franchise shops in China to more than 300 within a period of three years. The Company's market coverage already extends to more than half of the country. China has opened its domestic direct selling market as marked by the implementation of the Regulation on Direct Selling on December 1, 2005. The work for examining and approving direct selling licenses is now underway. Accordingly, both domestic and foreign selling companies are readjusting their strategies to cope with the new regulations.

Asia Pulse: March 02, 2006

2.1.3 ESTEE LAUDER PUTS ON A NEW FACE

Beijing's trendy Xidan shopping area bustles with the after-work crowd: young women browsing for the latest cosmetic elixirs. Three decades ago, when China was emerging from the dark days of the Cultural Revolution, the pair's outing to a cosmetics counter would have been unthinkable. Department stores barely existed and bourgeois displays of beauty were considered unacceptable. But after a generation of economic reforms, urban Chinese women have begun spending freely, turning China into Asia's fastest-growing cosmetics market. For global beauty giants such as The Estee Lauder Companies, China represents today's biggest geographical opportunity. As for many foreign entrants, however, ELC's success there depends on a number of factors: making and marketing products with Chinese appeal; getting distribution right; serving the varying needs of the regions; and recruiting executives who understand local consumers. According to

Euromonitor International, a market research group, Chinese consumers spent \$10.3bn on cosmetics and toiletries in 2005, up 11 per cent from 2004 and a rise of 68 per cent from five years ago. Retail sales are forecast to reach \$17bn by 2010.

Financial Times: March 22, 2006

2.2 KOREA & JAPAN

2.2.1 SOUTH KOREAN COSMETICS COMPANY AMORE PACIFIC TO SPLIT INTO TWO

South Korean Cosmetics Company Amore Pacific Corp. said recently that it would split into two separate companies in a bid to boost shareholder value. Under the plan, one company will concentrate on cosmetics operations while the other will focus on investment and other non-manufacturing businesses as a holding company, Amore Pacific said in a regulatory filing. If the split is approved, the holding company will be named Pacific Corp. and the manufacturing unit will continue to operate as Amore Pacific Corp., the statement said.

Asia Pulse: March 15, 2006

2.2.2 BRITISH COSMETICS BRAND TO BE MADE IN JAPAN

US-based Coty has concluded a licensing agreement with Japanese cosmetics giant Kose that will ensure the manufacture and distribution in Japan of Coty's UK-based Rimmel cosmetics brand. The arrangement means that Kose will import Rimmel products currently being made in the UK, as well as initiating production in Japan, with a national launch scheduled for the Japanese market in September 2006. In Japan, where the retail market is slowly picking up from a long period of stagnation, sales of cosmetic products are now increasing again, with cosmetics buyers honing in on new and innovative products. Rimmel offers an extensive range of colour make-up products, including mascaras, eye liners, lipsticks and nail varnishes. The products are medium-priced to suit the budgets of younger consumers.

www.cosmeticsdesign-europe.com

2.2.3 SPRING MAKE-UP SHINES WITH IRIDESCENT GLOW

A recent survey conducted by an international cosmetic house indicated that the average Korean woman goes through twice the number of skin care products than a woman in Europe would in a day. With makeup this spring being about pulling off a sheer, understated look, Korean women are already on the right track. Because a clean, even complexion is the starting point in achieving a natural, healthy glow that lit up the runways for spring and summer fashion. However, looking ``perfectly" natural takes work _ best by achieving a clean, even complexion before going on to work with this season essentials _ an illuminator that compliments your skin tone and a pastel palette for a look fitting to the spring. There's a world of difference between looking natural by wearing nothing and looking natural by pretending to wear nothing.

The Korea Times: March 16, 2006

2.2.4 COSMETICS COMPANIES FIND NEW NICHE IN TARGETING MEN

The luxury beauty business has gone beyond female customers and is seeing its customer base swell with middle-aged men. And with a growing number of men taking more care in their physical appearance and enjoying getting dressed up, department stores have even begun to set up men's cosmetics sections in their stores. Men's cosmetics mainly offer skin care products, with luxury foreign brands gaining popularity. U.S. cosmetics firm Estee Lauder Inc. released four new products in its men's cosmetic line Aramis in late February. It also plans to release a water-like lotion, priced at 3,780 yen, in Japan next month before it is released elsewhere in the world. Clarins Men, a brand first imported from France in autumn 2003, offers products that are made of plant-based ingredients such as herbs. Its moisture gel and under-eye serum, both priced at 5,250 yen, are selling well. So-called doctors' cosmetics, which are developed by medical doctors, at first popular among women, are also gaining ground with men. Estee Lauder group's line Clinique for Men were sold after a number of experiments, with a dermatologist in New York as a consultant on product development. The line does not use any fragrant materials, which it says can cause skin irritation. Its moisturizing cream MX hydrator, released in October, for 4,200 yen, has been well-received.

www.yomiuri.co.jp

2.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

2.3.1 NEW BARBIE COSMETICS, CLOTHES HOOK LOCAL TEENS

With the launch of Barbie bags and Barbie cosmetics here, Thailand has become the second Asian country, after Japan, in which the world's most famous doll makes a leap from stores' toy sections to their cosmetic counters and fashion zones. Almost every Thai girl knows about Barbie, which is why there is a big opportunity for Barbie products in the Thai market, said, general manager of Kids & Teens Co Ltd, which obtained the exclusive distribution licence for the products in Thailand from US toy giant Mattel Inc. Kids & Teens plans to place Barbie bags and cosmetics collections on the shelves of more than 40 retail chains and malls by year-end.

The Nation: March 22, 2006

2.3.2 AMWAY SEES MARKET EXPANSION POTENTIAL

While consumer confidence continues to decline due to political uncertainty, Amway (Thailand) Co remains optimistic about the direct-selling business in Thailand, the Bangkok Post reports. The business, which is estimated to be worth about 20 billion baht, has bright prospects, as the number of sales representatives remains small compared with other Asian countries, said managing director. He noted that only one in every 20 Thais was involved in the direct-selling business, compared to one out of six in Taiwan and one out of 11 in Japan. Asia is the fastest-growing market for the direct-selling business, expanding 40% in 2004 and the trend will continue, said sources. Currently, the global direct-selling business was estimated at US\$97.5 billion, of which \$40.2 billion came from Asia. Three of the world's five largest markets are China, Japan and South Korea.

Thai News Service: March 29, 2006

2.3.3 APCO IN TALKS ON US JOINT-VENTURE PLANT

Asian Phytoceuticals Plc (Apco), a local manufacturer of cosmetics and nutrition products, is negotiating with a company in the United States to set up a new joint-venture factory there to supply its products to developed markets around the world. As part of its partnership negotiations, a joint research and development centre will be set up in Thailand to handle all product development. Apco is undergoing a listing process in the local Market for Alternative Investment. The filing will be completed in the next couple of weeks, with an initial public offering to begin in July or August. About 23 million shares, or 20 per cent, of the total stake will be allocated to the general public, plus its employees, executives and sales representatives. Apco has a cosmetics factory in the Lamphun Industrial Estate in northern Thailand. The company also has three major subsidiaries: Green Gold Co Ltd, which produces nutrition products at another factory in the Lamphun Industrial Estate; Asian Nutraceutical Centre Co Ltd, a research centre for developing new nutrition products; and Asian Life Co Ltd, a direct-sales company for cosmetics and nutrition products through multilevel marketing. The company currently has more than 200,000 sales representatives in its direct-sales network.

The Nation: March 03, 2006

2.3.4 HORTALEZA-LED HBC FACES SNAGS IN PENETRATING SM

The SM Group of Companies is reportedly blocking Hortaleza-owned personal care products firm HBC, Inc. from opening stores in SM branches. Sources said that HBC, which has existing branches in six SM outlets, can no longer add stores in other SM branches since the shopping mall operator is protecting multinational retailer Watsons. Watsons Personal Care Store (Philippines), Inc. is a joint venture between the SM group of Companies and AS Watson, one of Asia's largest retail groups. The Hortaleza-owned firm had tried to penetrate SM City North Edsa, one of the top revenue generators for the Sy-owned group, but it was not allowed to do so, a source said.

Business World: March 07, 2006

2.3.5 SPLASH EYES HIKE IN SALES, PROFITS

The launch of several new products in the local market bolsters the confidence of Splash Corp. that it would increase its revenues and net income this year. The maker of skin whitening products projects P4.5 billion in revenues and around P450 million in net incomes this year. In 2005 the company posted P3.7 billion in revenues and around P200 million in net incomes. In that year, it launched five new products. This year, the company plans to introduce ten new products. Hortaleza said that the proceeds would be used to further enhance the company's Biolink brand and to fund its expansion in Indonesia and Vietnam. The Company distributes its products to Indonesia, Vietnam, the Middle East, and Singapore. It is also eyeing to sell its virgin coconut oil brand, Thera Herb, in Europe and the United States. Splash is the sixth largest cosmetics and toiletries company in the Philippines. Its major brands include Extraderm, Maxi Peel, Skin White and Biolink.

CIBI News: March 24, 2006

2.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

2.4.1 FOOD GIANT FORAYS INTO TOILET SOAP BUSINESS

Kolkata-based Priya Food Products Ltd, one of the largest players in the biscuit market in Eastern India, has now forayed into manufacturing toilet soaps. On Sunday, the company launched an entire range of toilet soaps under the brandname - "Priya Yours" in Agra. In just 18 years after being established, the company had grown into a formidable player in the biscuit market of Eastern India and it was slowly spreading its wings into the Northern India, establishing an extensive dealer network in UP and Utaranchal and it had entered into stiff competition with other major companies already dominating this market.

Business Standard: March 28, 2006

2.4.2 BEAUTIFUL BROWN

Modi Revlon has added four new colors to its ColorStay Hair Color range. They are Dark Copper Mahogany, Dark Auburn, Medium Ash Brown and Light Plum Brown. The product's Colour Lock treatment with conditioner reportedly helps lock the colour inside out. The in-built UV filters are meant to resist fading and the cream gel formula is designed to make it easy to use, without any dripping. Priced at Rs450, the product has 50 ml cream gel colorant, 72 ml crème developer and 15 ml after colour conditioner. It is available at all the major department and cosmetics stores in India.

Business Line: March 23, 2006

2.4.3 COLOURS OF SPRING

Elle 18 has launched the Potpourri range of lip and nail colours for the spring. There are shades of plum, lilac and sea green crèmes in the nail enamels. They are priced at Rs25 each. The lip colour's inner core contains jojoba oil and vitamin E to nourish and moisturise the lips. Priced at Rs60 each, they include reds, pinks and mauves.

Business Line: March 23, 2006

2.5 PACIFIC: AUSTRALIA & NEWZEALND

2.5.1 KYLIE TO LAUNCH HER OWN FRAGRANCE

Australian pop icon Kylie Minogue is said to be in talks with cosmetics companies to discuss the launch of her own perfume, according to recent press reports. Should the talks prove fruitful, Kylie will become one of many female pop successes, Jennifer Lopez and Britney Spears included, having her name appear on perfume counters and fragrance bottles worldwide. Reports also suggest that, as well as the fragrance venture, the singer is writing a children's book which is expected to be published by Puffin later this year.

Datamonitor - Newswire: March 29, 2006

2.5.2 BOOST FOR COSMETICS

Total Beauty Network has launched a new cosmetics range exclusive to pharmacy. The Company behind Derma New has introduced the Designer Brands collection, hoping it will revitalise the cosmetics sector for pharmacy. Chief executive of Total Beauty Network said that pharmacy had lost the cosmetics market to discount department stores in the past decade. Today, the pharmacy share of the cosmetics market is 12.6 per cent. Fifteen years ago it was over 55 per cent. The Designer Brands research team has been researching the stand-out cosmetic brands and products across the globe for the past four years, with the brief to take the best elements of formulation and design and meld those into a new collection all at an affordable price. Designer Brands debuts its cosmetic collection with foundation, concealer, lip gloss, lipstick, lip liner, bronzing powder, blusher, eye shadow, eye liner, mascara and nail polish.

Reed Business - Pharmacy News (Australia): March 30, 2006

2.5.3 AUSSIES UNAFFECTED BY BODY SHOP SALE

The sale of The Body Shop to cosmetics giant L'Oreal will not have any impact on its Australian operations. According to the company's Australian and New Zealand chief, Graeme Wise, the chain will continue to operate independently, as it is trading under a franchise deal. The Body Shop founder's decision to sell the chain to L'Oreal for \$A1.6bn was a surprising one, as she had previously lambasted the policies and ethics of large corporations in the cosmetic industry. L'Oreal, meanwhile, has hinted that it would take some of The Body Shop's philosophies on board

Inside Retailing: 29 March 2006

ON THE SHELVES: Electric shaver was patented on November 6th, 1928...

3. FOOD / LIQUOR & BEVERAGES

3.1 GREATER CHINA: HK, CHINA AND TAIWAN

3.1.1 PEPSI'S FIRST OVERSEAS R&D CENTER SET UP IN SHANGHAI

Recently Pepsi set up its first overseas R&D center in Shanghai. Pepsi President said the center aimed to integrate Pepsi's global R&D resources for more tailored beverages and snack food for Chinese consumers. Pepsi has so far set up 40 companies and projects in China of joint equity, joint contractual and exclusive ownership, with a total investment of over 1 billion USD. The establishment of the new center not only in part reflects the company's acknowledgement of China's capability for new beverage development, but also symbolizes a major shift in its China market strategy, from one that is production and sales centered to one that is multi-layered and multi-dimensional and that spans over R&D, production, management, and sales.

CEInet: March 31, 2006

3.1.2 CHINESE XANTHAN GUM MAKER CHANGES HANDS

The American xanthum gum maker CP Kelco has completed its purchase of China Shandong Gold Millet Biological Products, paving the way for its expansion into the local and surrounding markets. The deal, first reported by FoodNavigator-USA.com in December last year, closed at the beginning of this month. Currently the number two xanthan producer in China, Gold Millet will now be known as CP Kelco (Shandong) Biological Company. Gold Millet's GMXAN and GMZAN xanthan gum products will retain their brand names and join the CP Kelco family of biogums products. The Gold Millet plant is CP Kelco's first production facility in China. It was already buying some of its xanthan gum from the Chinese firm in order to supplement its global supply.

Novis: March 27, 2006

3.1.3 PROFITS FALL AT LEADING NOODLE MAKER

The world biggest instant noodle maker, Indofood, said that its 2005 net profit fell 68 per cent on the prior year to IDR124 billion (₹ 11.4m). It blamed the decline in profits on one-time charges of IDR386.95 billion that included losses on currency swap transactions. Indofood's margins were also hit by high energy and raw material costs, lower crude palm oil prices that affected its edible oils and fats activities, and a promotion for the noodles business giving consumers 'The free' with every five packs purchased. The company did see organic sales growth however, with the Bogasari flour business helping it boost turnover for 2005 by 5 per cent to IDR18.8 trillion. Salim said the group will continue streamlining, reorganizing and reengineering its operation in 2006, particularly its distribution system, to improve performance.

Novis Food&Beverage News: March 30, 2006

3.1.4 CHINA'S IMPORT OF EDIBLE OIL IN JANUARY 2006

China imported 440,000 tons of edible oil valued at 194.519 million US dollars in January 2006, down 11.8 percent and 19.6 percent respectively year on year.

Xinhua News Agency: March 29, 2006

3.1.5 HEINZ BABY CEREAL FOUND FREE OF GM IN CHINA

Heinz's infant food products in China have been found to be free of any traces of genetically modified (GM) ingredients, the official Xinhua news agency cited the country's Ministry of Agriculture as saying.

AfxAsia: March 31, 2006

3.2 KOREA & JAPAN

3.2.1 AJINOMOTO ADDS SOY SAUCE TO SEASONINGS

Ajinomoto Co Inc, Japan's largest producer of seasonings, said that it has acquired Hong-Kong based Amoy Food Group Companies for around HK\$1.84 billion (US\$238 million) to penetrate China's soy sauce market. Danone, which is trying to focus on beverage, cracker and dairy products, sought buyers as it wanted to exit the soy sauce business last year. It

had sold the top three sauce brands in Europe to HJ Heinz Company for US\$855 million last June. Through the acquisition, Ajinomoto has acquired 60 percent in Shanghai Amoy Foods Group, Amoy Food's Chinese soy sauce joint venture, to enter a market that consumes five million tons of soy sauce annually. Ajinomoto said it has no plan to acquire the remaining 40 percent stake in the joint venture of Shanghai Amoy Foods Group at this stage. An undisclosed Chinese partner holds the stake now.

Shanghai Daily: March 31, 2006

3.2.2 SEAWEED TOPS LIST OF INNOVATIVE NEW INGREDIENTS

Seaweed is fast establishing itself as an important food ingredient - and not only in Japan, according to Datamonitor's Productscan database. The market analyst features two particularly unusual uses for the ingredient, which is packed full of vitamins and minerals. One in Japanese kelp and apricot confectionery product, and another in a Danish substitute caviar product.

www.nutraingredients.com

3.2.3 STARBUCKS DISCOVERIES MILANO (ESPRESSO) COFFEE BEVERAGE RELAUNCHED IN JAPAN

Starbucks Coffee Company and Suntory Ltd., one of the leading Japanese producers and distributors of food and beverages, announced the relaunch of Starbucks Discoveries(R) Milano (espresso) coffee drink in convenience stores in four Japanese prefectures at the end of April. The Starbucks Discoveries Milano (espresso) flavor had been temporarily discontinued shortly after launching last September due to insufficient capacity to meet the high level of consumer demand.

www.foodingredientsfirst.com

3.2.4 KIRIN BEVERAGE CORPORATION LAUNCHES "FIRE" CANNED COFFEE IN TWO EXCITING NEW PACKAGES

In Japan, Kirin Beverage Corporation has launched its "Fire" canned coffee brand in two distinctive new packages supplied by Rengo Riverwood Packaging (Graphic Packaging International's joint venture in Japan). Canned coffee has been a phenomenal success in Japan over the last thirty years and, uniquely, the leading national canned soft drink brand is a coffee and not a cola. The canned coffee sector is extremely competitive, so to enhance product differentiation Kirin Beverage is using two different fully enclosed carton styles to help their "Fire" brand stand out at point of sale.

www.confectionerynews.com

3.2.5 STEROLS FIND ICE CREAM APPLICATION IN JAPAN

Korean based Eugene Science, Inc., a developer and marketer of advanced nutraceutical products, has announced that Donatello's Japan Co., Ltd., a leading Japanese ice cream company, has placed an initial order for Eugene Science's patented, cholesterol-lowering CZ-S product. CZ-S is virtually taste-free, fully water-soluble and can be used in a wide variety of food products to lower cholesterol. It is composed of plant sterols that have been shown in clinical studies to

lower the United States Food and Drug Administration (FDA) for health claims related to their cholesterol-lowering efficacy.

www.Just-food.com

3.2.6 ORGANIC CHOCOLATE BAR OPENS IN SEOUL

Dreams are about to come true for Seoul's discerning chocolate connoisseurs who are always on the look out for something out of the ordinary. March 14 is White Day - a day to give sweets to your girlfriends - and when the "Dagoba Organic Chocolate Concept Bar" will be launched across Seoul. Dagoba Organic Chocolate was founded in 2000. On a mission to create the purest and most exquisite chocolate products, Dagoba has been recognized worldwide as the best chocolate in the world since its foundation. Only the purest ingredients are used in bars of Dagoba chocolate. Using local ingredients whenever possible, they are hand stirred into the chocolate before the molding process to add an extra human touch. And to ensure that customers get the finest organic chocolate money can buy; the company only produces very small batches. To satisfy the diverse tastes of chocolate-addicts, Dagoba Chocolate bars come in many varieties. Made of 37 percent cacao, Dagoba's milk, hazelnut, chai, Brasia and latte chocolate bars have the finest taste and flavors that are perfectly balanced to satisfy lovers of both milk and dark chocolate. For dark chocolate lovers, Dagoba has a selection of roseberry (combination of raspberry and rosehip), lavender, dark and mint chocolates with 59 percent cacao. Dagoba latte and roseberry chocolate bars were each nominated as the 2003 NASFT best product for their exquisite taste achieved from the best ingredients including ground coffee, cinnamon, raspberries and citrus as well as fine cacao.

The Korea Herald : March 11, 2006

3.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

3.3.1 MUNCHY BUDGETS RM15M FOR ADVERTISING AND PROMOTION

Munchy Food Industries Sdn Bhd is allocating RM15mil for advertising and promotion (A&P) this year. General manager Tan Chuan Kok said the budget was for the company's brand-building strategy in the Indonesian and Thai markets. We are focusing our campaigns on the two countries after successful campaigns in Malaysia and Singapore. Tan said Indonesia and Thailand with their huge population offered good business opportunities to the company to strengthen its position in those countries. The A&P was part of its global re-branding, which started with Malaysia and Singapore in April 2005. Sources said, for instance, Singapore was the toughest market for biscuit companies as there were too many international brands for such a small market.

The Bangkok Post: March 20, 2006

3.3.2 HALAL FOODS TO BENEFIT FROM SURGE IN MUSLIM CONSUMER POWER

The rise in Muslim purchasing power and growth in consumer-led movements will give Asian food makers with halal certification access to new markets, believes a halal industry expert. Executive director of Malaysian Kasehdia, the media company behind the upcoming World Halal Forum, says that producers of halal foods should look to European markets

for new growth opportunities. Those firms that have already made this investment will increasingly see it paying off. The world's leading supermarket chains have already recognized that by offering halal foods they can draw in consumers previously loyal to their local shops, shoring up their market shares. And supermarkets, including Tesco, are backing the drive for a set of global halal standards so that the supply chain for these products becomes easier to manage. In the interim, they look set to follow Nestle's lead in setting a global halal position for suppliers.

Novis Food&Beverage News: March 30, 2006

3.3.3 SAN MIGUEL'S NAT FOODS BUYS CHEESE UNIT

French cheese maker Bongrain SA has agreed to sell its subsidiary Lactos, one of Australia's leading specialty cheesemakers, to National Foods Limited (NatFoods) following an offer from the subsidiary of San Miguel Corp., the Philippine's largest publicly held beverage, food and packaging company. Bongrain, which is present in over 150 countries and offers several hundred different cheese brands, said the business sold involves less than 2% of group consolidated net sales and includes the facilities engaged in production, cutting and wrapping of cheese, found in Tasmania and Melbourne. The sale also includes the Australian Gold, Mersey Valley and Tasmanian Heritage brands.

Business World: March 20, 2006

3.3.4 FREE SMELL TAKES THE BISCUIT

Famous Amos Cookies, a premium brand from the United States, has made a comeback to the Thai market after a long absence following the 1997 economic crisis. The managing director of Free Smell Gourmet Co is importing the cookies, produced by Kellogg's Snack USA, to Thailand again, after the first distributor went out of business during the crisis. He believes that Famous Amos Cookies will soon win the hearts of Thai consumers, as they have in Singapore, Hong Kong, Sydney, Taiwan and Indonesia due to their quality and variety. He said he expected the cookies to be popular especially among urban consumers who have changed their eating behaviour. Many people eat snacks as substitutes for staple dishes when they do not have time to sit down for a proper meal, or because certain snacks are trendy. He added that some bakery businesses that had recently entered the Thai market would be short-lived because their products were based on fads, and when those faded, sales would plunge.

www.just-food.com

3.3.5 BAKED GOODS GAINING POPULARITY IN INDONESIA

Sales of crackers, cookies and breakfast cereals are rising fast in Indonesia thanks to higher incomes and the large and growing population. An influx of Western manufacturers in recent years with big investments into top brands has also helped drive double-digit growth. New figures from Datamonitor show that breakfast cereals – the smallest product in both volume and value terms in the overall baked goods sector - have seen compound annual growth (CAGR) of 7.2 per cent between 1999 and 2004. From 1999-2009, this growth rate is expected to be around 3.4 per cent, compared with a mere 0.9% in the mature, and much bigger, UK market. But crackers, or savoury biscuits, are seeing even faster growth, with a CAGR of 11.4 per cent during the five years to 2004. Sales of crackers reached IDR449.7bn (€41m) in nominal prices that year, and they are forecast to see compound annual growth of 10.3 per cent to 2009, reaching IDR734 billion. Many of the country's baked goods are still imported or made by foreign multinationals that see Indonesia as a

springboard to other Asia Pacific markets such as China. Cookies or sweet biscuits are also performing well in Indonesia. One manufacturer seeing tremendous growth is Australia-based Arnott's.

Novis Food&Beverage News: March 30, 2006

3.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

3.4.1 PAKISTAN WAKES UP TO INDIAN CUP OF JOY

Pakistanis will soon wake up to a refreshing cup of orange pekoe from India. The drought in Kenya means that Pakistan has lost one of its main suppliers of tea and Indian gardens are only too happy to fill in the supply slot. It all makes perfect business sense. Pakistan gets its daily fix of caffeine and Indian gardens, which aren't exactly in the pink of health, stand to gain too. In fact, some plantations have already bagged orders for as much as half-a-million kilograms from Pakistani business houses. It was minister of state for commerce who took the initiative to sell Pakistan more Indian tea. Soon after his induction, he learnt that Pakistan, the world's second largest consumer of tea, was buying only seven million kilograms from India. And that just didn't make any sense.

Hindustan Times: March 31, 2006

3.4.2 DANONE TAKES AFFORDABLE NUTRITION INTO BANGLADESH

French food giant Danone is set to announce plans for a new dairy plant in Bangladesh to provide nutritious foods to low-income consumers, following successful entry into a number of similar emerging markets. Expansion into the region will see the world's largest dairy producer join forces with the Grameen bank, run by local tycoon Professor. The high profile venture, to be revealed, will initially produce a range of enriched yoghurts in a bid to encourage increased consumption of dairy products in the country. But the partnership, called Grameen Danone Foods, could eventually branch out into functional drinks and bottled waters.

www.foodanddrinkeurope.com

3.4.3 INDIA TICKLES DANISCO'S TASTE BUDS

Danisco, one of the world's leading producers of ingredients for food and other consumer products is looking at India as a sourcing base for key raw materials. The company has started sourcing organic vanilla - the world's most popular natural flavour - from India, for the first time. And now, the \$2.9bn Danish ingredient giant is scouting for a possibility of sourcing a range of raw materials if they meet the criteria set by its vanilla experience. On the cards, is sourcing agri-raw materials such as castor oil from north western India. Sources say, the first batch of 1.2-tonne of sustainable organic vanilla has reached the firm's US flavours plant from a small non-profit organisation in Bangalore. This could set the tone for future supplies.

Economic Times: March 31, 2006

3.4.4 FI COMES TO INDIA

Food Ingredients (Fi), one of the largest food ingredient exhibitions, is making its foray into the Indian market, with an Indian edition of Fi. According to sources, the response has been tremendous and there is a great potential with a change in the Indian palette, with increased exposure and travel. The exhibition will be targeted at the top management of food processing and food ingredient companies.

Express Hospitality: March 31, 2006

3.4.5 POWER SHOWER

Kellogg India has launched a breakfast cereal, Tony's Tiger Power, for children. The cereal is formulated to meet the energy demands of school-going children. The Company has priced the cereal at Rs40 for a pack of 125 grams and Rs110 for a pack of 350 grams.

Business Line: March 30, 2006

3.4.6 FOOD IN AN INSTANT

ITC Foods has forayed into instant mixes with the launch of Aashirvaad Instant Mix in the country. The initial offerings will be rice idli, rava idli, rice dosa, khaman dhokla and gulab jamun mix. Available in packs of 200gm priced at Rs.39 for gulab jamun and between Rs.22 and Rs.24 for others. The rava idli mix is available in a 500gm pack, priced at Rs.39. The products can be obtained at all grocery and department stores across South India.

Hindu: March 07, 2006

3.4.7 IN A JIFFY

ITC Foods has launched Aashirvaad Instant Mixes. The Gulab Jamun, Rice Idli, Rice Dosa, and Khaman Dhokla mixes are available in packs of 200 gm and priced at Rs.39 for Gulab Jamun and between Rs.22 and Rs.24 for the others. The Rava Idli mix is available in a 500 gm pack and is priced at Rs.39.

Business Line: March 02, 2006

3.4.8 HEINZ LAUNCHES CHUTNEY VARIANTS

Heinz India has introduced two new flavours - Chatpata Tomato Chutney and Chatakdar Coriander Mint Chutney in the Mumbai and Delhi markets. The Company has positioned its ethnic range as Home Style Sauces and will be launching the variants across markets in phases. Apart from its main tomato ketchup variant, Heinz also produces a vitamin-enriched sauce for kids called Heinz Champ and a chilli variant imported from its subsidiary in Vietnam.

Business Line: March 30, 2006

3.4.9 JUST FOR KIDS

General Mills India has launched Dip Trix, a snack that kids can play with. Though mothers have told their children for years not to play with food, Dip Trix recognises the fact that kids love to play with anything, especially food. Dip Trix has fun shaped cookies with cream which kids can dip, dunk, lick, sandwich and play with however they want. Available

in three run flavours - chocolate, strawberry and orange, priced at Rs.5 for a 19-gm pack.

Hindu: March 22, 2006

3.5 PACIFIC: AUSTRALIA & NEWZEALAND

3.5.1 AUSTRALIA'S PACIFIC EQUITY PARTNERS BUY NEW ZEALAND SNACK FOOD BUSINESS

Pacific Equity Partners (PEP) has bought New Zealand snack foods business Griffin's Foods Ltd from French food giant Danone Asia Pte Ltd. The Australian buyout firm today said with net sales revenue of \$NZ176 million (\$US108 million), Griffin's will play an important role in PEP's expanding portfolio of quality businesses.

Asia Pulse: March 31, 2006

3.5.2 FOOD PRICES RISE

Statistics New Zealand calculates that food prices rose by 0.7 per cent in January 2006. In the year to January 2006, prices rose by 2.3 per cent. There was a 2.9 per cent rise in the cost of fruit and vegetables in January 2006, with citrus prices surging by 17.5 per cent. Bread prices rose by 1.7 per cent, while potato chip prices declined by 5.3 per cent

Food Industry Week (NZ): March 01, 2006

3.5.3 SNACKING REVOLUTION

Traditionally, a snack was something that was only eaten at either morning or afternoon tea. However, changes to Australian diet and lifestyle have seen snacks become something consumed throughout the day, with some people eating five or six in preference to traditional meals. This huge growth in snackfoods has resulted in significant challenges to food manufacturers and those who design their packaging, in terms of trying to make sure their product stands out from a vast number of competitors

Packaging News: March 28, 2006

3.5.4 NATIONAL FOODS SEEKS GROWTH IN SPECIALTY CHEESE WITH LACTOS DEAL

Australian dairy group National Foods has signed an agreement to buy the specialty cheese maker Lactos from France's Bongrain. The acquisition, still subject to regulatory approvals, will help National Foods boost its share of the higher value end of the cheese market, in which it became a significant player with the purchase of King Island in 2002. National Foods, owned by Philippine food and beverage conglomerate San Miguel, markets the leading milk brand in Australia but a spokesman for the firm told AP-Foodtechnology.com it only had a 4 per cent share of the cheese market. If the new deal goes through, it will acquire two production plants from Lactos, a cut-and-wrap facility as well as the key Australian Gold, Mersey Valley and Tasmanian Heritage brands.

Novis Food&Beverage News: March 22, 2006

3.5.5 RAW MILK CHEESE RULES UNDER REVIEW

New Zealand gourmets and fans of "natural" food may soon be able to enjoy raw-milk cheeses currently banned under the nation's pasteurisation rules. The New Zealand Food Safety Authority (NZFSA) has announced a two-year study into the dangers or otherwise of consuming raw-milk products. Gourmets claim these products have superior flavours to those produced using pasteurised milk. NZFSA project manager said the pasteurisation laws were developed 60 years ago to protect the public from dangerous milk-borne organisms prevalent then.

Food Industry Week (NZ): March 21, 2006

3.5.6 CONFECTIONERY PRICES SET TO RISE

High sugar, cocoa and nut prices are set to drive up the price of confectionery. Chocolate and sweet makers had been absorbing these costs so far, but would now have to pass them on to consumers, warned Confectionery Manufacturers of Australia CEO David Greenwood. He said key problems included the record cost of sugar, due to ethanol demand and reduced production in the European Union, and difficulties sourcing cocoa due to ongoing civil wars in West Africa

Food Industry Week (NZ): March 21, 2006

3.5.7 KRAFT EYES BIG BICKIES

With Kraft's decision to move its Australian manufacturing operations to China, a large industrial property is up for sale in Melbourne. The 11-hectare site in Broadmeadows includes a 39,000sq m building and food manufacturing equipment. The equipment will probably lead to a higher sale price if the buyer turns out to be a food company. However, the site adjoins a residential area, so it may prove attractive for a developer to create a mixed commercial and residential project. The price tag will probably be between \$A10m and \$A15m

Herald Sun: March 14, 2006

3.5.8 MAGGI'S HEALTHY NOODLES

Maggi has made its range of 2 Minute Noodles healthier. Market research showed that some mothers limited their children's consumption of the product as it was not perceived as really healthy. The range has been redeveloped to improve its nutrition. Nestle will spend \$A2.5 million on the relaunch. Three new flavours will be launched for Maggi Super Noodles, as well as multipack carry bags

Retail World: March 24, 2006

3.5.9 JARRAH LAUNCHES NEW THREE-SKU RANGE THIS MONTH

Indian Chai is a spiced milky tea featuring ingredients such as ginger, cloves, cardamom and cinnamon. The tea aids digestion and is thought to bring a sense of well-being. "Chai Latte" has proven popular at Gloria Jeans and Starbucks and is starting to be sold in the retail grocery sector. Jarrah is launching a Chai Latte range in New Zealand in March 2006. Sian Leonard, of Crossmark, says the range is aimed a non-caffeine drinkers aged between 25 and 30

Grocers' Review (NZ): March 30, 2006

3.5.10 DOUBTS NIBBLE AT UNCLE TOBYS FUTURE

The sale of Uncle Tobys has stalled, in contrast to that of its New Zealand rival, Griffin Foods. Australasian Food Company Burns, Philp has indefinitely postponed the Uncle Tobys divestment, due to prospective buyers' scepticism. It is believed that would-be acquirers such as Nestle and Pepsi doubted Uncle Tobys's 2006-07 profit predictions. Burns, Philp's ownership of just two assets (Uncle Tobys and 20% of Goodman Fielder), and uncertainty over its future acquisition patterns, have caused its Standard Poor's credit rating to stagnate at "BB". Meanwhile, French group Danone has reportedly received a bid of over \$NZ400m for Griffin

The Australian Financial Review: March 30, 2006

3.5.11 RINOLDI BUYS VETTA AND NANDA BRANDS

The Manildra Group has sold the Vetta and Nanda pasta brands to Rinoldi Pasta in Victoria. Manildra had acquired the two brands from Green Foods, which had originally bought the Vetta brand from Goodman Fielders and the Nanda brand from Nestle. Greens paid \$A15 million for the two brands but sold them at a loss. Rinoldi, whose brands include Rinoldi and Kookaburra, will relocate production of Vetta and Nanda to its factory in Mulgrave.

Food Week: March 17, 2006

3.5.12 FOOD GROUPS JOIN FORCES

An alliance between Metcash and Foodstuffs promises to make the pair a stronger force in the supermarket sector. Australasian grocery wholesaler Metcash and New Zealand (NZ) supermarket company Foodstuffs have created a united buying group. The alliance will give them economies of scale, enabling them to negotiate better deals with suppliers and pass lower prices on to consumers. Foodstuffs will now be in a more solid position against Woolworths, which in 2005 gained a 45% market share in NZ through the acquisition of Progressive Enterprises

The Australian Financial: March 31, 2006

FOOD CODE

The first product to have bar a code was wringley's gum

4. CIGARETTE /TOBACCO PRODUCTS

4.1 GREATER CHINA: HK, CHINA AND TAIWAN

4.1.1 FAKE CIGARETTES YIELD MEDICINE IN CHINA

A compound extracted from tobacco recovered from confiscated counterfeit cigarettes is being used in the fight against cardiovascular disease in China's northwestern city of Xian, according to a Xinhua news agency report. Instead of incinerating fake cigarettes, as was previously the case, the tobacco from them is being used to extract solanesol, which is used to treat cardiovascular disease. Thirty tons of tobacco is said to yield about 120 kg of solanesol, and 1 kg of

solanesol is reportedly worth about \$200. Many counterfeit cigarettes made of poor quality tobacco also include wood chips, according to the Xinhua report.

Xinhua News: March 21, 2006

4.1.2 CHINESE DEPUTY CALLS FOR SMOKING BAN

A deputy to China's 10th National People's Congress (NPC) has called for legislation to ban smoking in public places, according to a report in the China Daily. The China Daily reported that many Chinese cities, government departments and other organizations had already adopted local-level or internal rules and regulations banning smoking in public places. However, so far such bans were strictly observed only by airlines, which prohibited smoking on all domestic and international flights. Smoking remained 'rampant' in other public places, such as restaurants, cinemas, offices and railway stations, even where there were 'No smoking' signs, it added. The government is said to be monitoring public reaction to regulations on smoking in public places.

China Daily: March 15, 2006

4.2 KOREA & JAPAN

4.2.1 MORE SUCCESS FOR JT'S REDUCED ODOR CIGARETTES

Seven Stars Revo Ultra Lights Menthol Box is set to move from regional test market to nationwide sales in the fastest time since Japan Tobacco Inc began aggressively launching products on to test markets in 2003. The third 'D-spec' (reduced odor) product to be launched under the Seven Stars brand name, Seven Stars Revo Ultra Lights Menthol Box went into test market in the Shizuoka prefecture on January 16, but from the beginning of April it will be made available nation wide.

www.tobaccoreport.com

4.2.2 POORER KOREANS PAY MORE IN CIGARETTE TAXES

Cigarettes account for an average of 2.0 percent of the monthly spending of Korean families where the householder has had no formal schooling, but for only 0.3 percent of spending of families where the householder is highly educated, according to a report in the Korean Times by Yoon Ja-young. In Korea, according to the National Statistical Office, families whose householder finished middle school spend Won 24,900 on cigarettes each month, whereas those whose householder completed university spend Won 16,300, and those whose householder holds a master's degree or doctorate spend Won 11,200. This means that the more humble households tend to provide more in cigarette taxes to the national coffers than do the rich.

Korean Times: Tuesday: March 14, 2006

4.2.3 JAPAN TO INTRODUCE NEW VENDING MACHINES

In March 2008, the Tobacco Institute of Japan will begin the switch to new cigarette vending machines featuring an age-verification system. A total of 620,000 tobacco vending machines nationwide will be switched to machines that can read

“tobacco cards” with integrated circuit chips. Smokers will apply for the cards by filling out an application form and providing documentation of their age. The cards will have the function of prepaid cards, so they can be use to purchase tobacco products.

www.Tobaccoreporter.com: March 31, 2006

4.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

4.3.1 INDONESIA RAISES BASE PRICES FOR CIGARETTES

Indonesia’s government said it will increase the retail base prices of cigarettes by 10 percent starting April 1, reports Dow Jones. The government is raising the base prices used to calculate excise taxes. Excise tax rates are currently set between 4 percent and 40 percent. Companies can set their prices above or below the base prices. The government last increased base prices in July 2005 by 15 percent. Cigarette excise tax levels were last hiked in 2002.

www.Yahoo.com

4.3.2 PHILIPPINES TO INCREASE TAX COLLECTIONS

The Philippines’ Bureau of Internal Revenue (BIR) has been told to increase collection of excise taxes on tobacco and alcoholic products this year by 18 percent. Last year, the BIR failed to collect the revenue anticipated from the enactment of a tax hike, reports the Philippine Daily Inquirer. The so-called "sin tax" law, which took effect in January 2005, was supposed to generate 7.5 billion Philippine pesos in additional taxes last year. The BIR collected about 2 billion peso. The BIR said it had implemented administrative measures to improve the collection of tobacco and alcohol taxes. One such measure includes installing computer systems in factories to detect the volume of products released. The BIR has installed one of these systems in the Fortune Tobacco Corp. factory.

Philippine Daily Inquirer: March 24, 2006

4.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

4.4.1 ANDHRA TOBACCO SALES START WELL

After a month and a half of auctions, 23 million kg of flue-cured have been sold for an average price of about Rs47 per kg in Andhra Pradesh, and the sales season looks set to continue fair, according to a report in the auctions, which started on some floors on January 27 and which were in progress on all floors by March 9, are expected to see 140 million-145 million kg offered for sale. Andhra farmers had been authorized to grow a crop of 126 million kg, but the surplus is thought to be manageable, partly because the State has no carryover stocks, and partly because heavy, continuous rain caused a reduction in the volume of the earlier Karnataka crop, 82 million kg of which was sold for an average price of about Rs48 per kg.

Business Line: March 16, 2006

4.4.2 INDIA HIKES CIGARETTE TAX 5 PERCENT

The finance minister presented the annual budget to the Indian Parliament recently, proposing an excise tax increase on cigarettes of 5 percent. The cigarette industry expressed disappointment. "It's quite upsetting to see that the discrimination between cigarettes and other forms of tobacco continues and cigarettes have been singled out and levied with additional 5 per cent excise while bidis (tendu leaf) and other forms of tobacco have been spared. This discrimination will defeat the objective of tobacco control, said domestic CEO of Godfrey Phillips India.

www.tobaccoreporter.com

4.5 PACIFIC: AUSTRALIA & NEWZEALAND

4.5.1 ILLEGAL TOBACCO ON THE RISE IN AUSTRALIA

A recent report found that nearly one-tenth of Australia's tobacco crop is grown by crime organizations and is sold on the black market, often tax-free. The report said that up to 290,000 smokers buy the contraband tobacco, saving about two-thirds on the price and costing the government \$100 million in lost taxes. Smokers of the tobacco often "believe it is 'natural', unadulterated and therefore less harmful," said the report. However, the so-called "chop chop" tobacco is often wet and cut with twigs, cotton pulp, hay, cabbage leaves, grass clippings and a "dense volume of fungal contamination." Officials say the illegal crop has increased 43 percent in three years, now reaching 347,000 tons, which is nearly a tenth the size of the legal crop of 3.5 million tons.

www.tobacco.org

SMOKER'S ZONE

Cigars were once considered to be a status symbol of the elite; cigars have broken through to the mainstream and are becoming one of the most popular trends in America. Everyone -- from the President of the United States to university students -- seem to be puffing away

5. HOUSEHOLD CARE/OTHER PRODUCTS

5.1 GREATER CHINA: HK, CHINA AND TAIWAN

5.1.1 LORD CORP AGREES TO PURCHASE HENKEL UNIT

Henkel KGaA, the German maker of Persil detergent and Pritt glue, agreed to sell a unit that makes rubber-to-metal bonding chemicals to Lord Corp, the second divestment in a week of an asset not belonging to the company's main operations. The adhesive unit focuses primarily on the auto industry in Europe and has little scope for expansion under Henkel, the Dusseldorf, Germany-based Company said in an e-mailed statement. The agreement, signed on February 23 with Cary, North Carolina-based Lord, awaits regulatory approval. The price was undisclosed. Henkel, which is increasing profit at its cosmetics and toiletries division with last month's US\$420 million purchase of Right Guard and

other deodorants in the US, agreed last week to sell its Armour canned meats unit in the US for US\$183 million to Pinnacle Foods Group Inc. That business, acquired with Dial Corp in 2004, sold Vienna sausages and sliced beef. Henkel has added to its stable of US businesses by acquiring Dial for US\$2.9 billion and Sovereign Specialty Chemicals. Entering the US deodorant market will help profit and expansion in cosmetics.

Shanghai Daily: March 08, 2006

5.2 KOREA & JAPAN

5.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

5.3.1 PROCTER & GAMBLE ADDS 5 PRODUCTS CATEGORIES

Procter & Gamble (Thailand) Co is expanding into five new sales categories with a total annual market value of 23 billion baht this year after merging operations with Gillette in 2005, the Bangkok Post reports. Parinda Hasdarngkul, the company's managing director, said sales from the new categories - laundry detergent, oral care, men's grooming, batteries and blades and razors - would make up 25% of P&G's current total sales. The move increases the number of trademarks under P&G to 19 from 13. The additional six brands are Fab, Paic, Oral-B, Braun, Duracell and Gillette. The parent firm purchased detergent brands from Colgate-Palmolive last year. By adding these business areas, P&G said it would be able to achieve faster growth, more effective distribution, enhance innovation and create cost savings. It would also help boost P&G's overall sales by 25% this year. Olay skin care also remained the market leader in facial moisturisers last year with a 34% share. Successful growth came from product innovations and reduced prices for some lines, which resulted in rising demand. The firm was spending 600 million baht investment on upgrading manufacturing and purchasing sales facilities.

Thai News Service: March 30, 2006

5.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

5.4.1 RECKITT BENCKISER LOOKING TO BRING IN GLOBAL BRANDS

FMCG major, Reckitt Benckiser is contemplating bringing in some of its international brands to the country. Regional Marketing Director (South Asia), said: "We recently brought in our global products, such as dishwasher tablets Finish and depilatory cream Veet to the Indian market and hope to introduce other products in due course." The company is also looking to introduce newer variants of its flagship brand Dettol this year, with an aim to capture 25 per cent of the Rs 1,500 crore health-soap markets. Though he declined to specify the number of new variants to the brand, he said that globally there are about six variants of Dettol soap, but in India currently there were only three — Sensitive, Deo and

Fresh. Through its campaign, the company is planning to reach out to about 12 lakh new mothers, three lakh students under its handwash programme in schools and 250 hospitals in the six metros, including Bangalore and Hyderabad this year.

e-Eighteen Newswire: March 22, 2006

5.4.2 HIND LEVER UPS DETERGENT RATES

Hindustan Lever Ltd (HLL) has increased prices of the four kg pack of Surf Excel Blue to R395 from the existing Rs299. The Company has also increased the prices of the Lifebuoy soap for the 100, 125 and 300 gram units. The company has also increased the prices of its deodorants as well as colour cosmetics brand, Lakme. The increase in detergent prices has been attributed to the increase in prices of Liner Alkyl Benzene (LAB), a major ingredient used in detergents. -

Business Standard: March 28, 2006

5.4.3 SNIFFING NEW WINS

Godrej Sara Lee plans to foray into aromatherapy. Moving beyond mosquito repellents, Godrej Sara Lee, the leader in this business, is taking position as a category developer once again. Having entered the air care category with its Ambi Pur brand of car and home fresheners, the company plans to foray into aromatherapy. Exploring new formats with mood-elevating properties, the idea is to penetrate the lower strata of the population and reach households using incense-based products. However, it will not extend its Ambi Pur brand to the category; instead, there are plans to acquire a new brand. Godrej Sara Lee expects to bring in a certain kind of 'Indianess' with its new range.

Business Line: March 30, 2006

5.5 PACIFIC: AUSTRALIA & NEWZELAND

5.5.1 HEADING GOES HERE

Unlike other elastic adhesive bandages (EABs), which need to be cut with scissors, the new range of Elastoplast Sport Hand-Tearable tape can simply be torn with the hands, allowing quick and easy application. Elastoplast Sport HT is also the only hand-tearable EAB available in tan, the colour preferred by Australia's biggest sports organisations. The tan colouring makes Elastoplast Sport HT ideal for overwrapping exposed areas and quick blood clot treatments. The range offers protection and support for the most common injury sites on the body including ankles, knees, fingers, toes, shoulders or elbows and large muscle groups. A new once-a-day topical acne product, which combines an antibiotic and an antibacterial in a single tube, is now available in Australia.

Reed Business - Pharmacy News: March 30, 2006

6. MEDIA NEWS

6.1 GREATER CHINA: HK, CHINA AND TAIWAN

6.1.1 FLOOR FIRM ACCUSED OF MISLEADING ADS

Many decoration material markets in the city have stopped sales of Order floors, a famous brand of flooring materials that is accused of fraudulent advertising. Ironically, the company was previously granted certificates by the state consumers' association and quality watchdog to prove it is a reliable brand. A recent report on CCTV said the flooring isn't made in Germany, as advertised, but is produced in domestic factories. The report said "Made in Germany" stickers are then placed on the material. It also alleged the company doesn't have a headquarters in Germany, as it claims. The report was broadcast nationwide recently, and spurred concerns and rage from consumers. Major decoration material markets, such as B&Q, Homemart and Macalline, said they have pulled the flooring materials off shelves and sealed the remaining stock while waiting for the results of an investigation by a market watchdog in Beijing, where Order Decoration Material Co is registered. Officials with the Shanghai Industrial and Commercial Administrative Bureau said they will not step into the investigation as the case is out of their jurisdiction.

Shanghai Daily: March 21, 2006

6.2 KOREA & JAPAN

6.2.1 NEW MEDIA ADVERTISING MARKET SHARE IN SOUTH KOREA MORE THAN DOUBLES IN 2006

Advertising in new media such as the Internet in South Korea more than doubled last year from two years ago, an industry body said. For the reported year, advertising in the four traditional media - TV, radio, newspaper and magazine - accounted for 61.8 per cent of the total advertising market estimated at 7.54 trillion won (US\$7.79 billion), according to the Korea Federation of Advertising Associations. The percentage of advertising in the four media was 70.1 per cent in 2003. In contrast, the market for advertising on the Internet and in other new media increased 4.5 percentage points from 2003 to 7.5 per cent last year, the federation said.

Asia Pulse: March 22, 2006

6.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

6.3.1 MEDIA SPECIALIST ASSOCIATION CITES NON-MEASURABLE CHANNELS FOR SLOW ADVERTISING EXPENDITURE

The Media Specialist Association (MSA) attributes last year's sluggish growth in advertising expenditure (adex) to advertising and promotion (A&P) budgets directed through non-measurable channels. Last year, our gross domestic

product (GDP) grew by 5.3% but adex grew by only 3%. This is the first time that we recorded slower adex growth compared with GDP. Lim said information technology had advanced advertising and paved the way for media organisations to evolve their marketing and delivery strategies to become more effective and relevant to consumer needs. Technology-savvy people today are downloading television content ahead of local broadcast televisions without the intrusion of commercials. Lim believed advertisers had harnessed the potential of the Internet and mobile marketing but would soon venture more into new advertising tools such as viral marketing (campaigns that spread as fast as lightning) and ambient advertising (subtle and non-intrusive means that heighten consumer senses).

Dateline Clipping News: March 31, 2006

6.3.2 PALACE TO REGULATE ALL GOVERNMENT AD BUDGETS

A newly created communication Group under the Office of the President will consolidate the multibillion-peso advertising budget of all government agencies, including state-owned corporations, banks and pension funds—a move that a senator says could be used by Malacañang to threaten media companies critical of the administration with an ad boycott.

Philippine Daily Inquirer: March 23, 2006

6.3.3 PURCHASING POWER OF MALAY AUDIENCE ON THE RISE

Local viewers and readers of electronic and print media in Bahasa Malaysia are increasing, which proved that the purchasing power of this group is on the rise, advertisers of electronic and print media were told recently. Information Minister said the argument was based on statistics which showed that the advertising expenditure on television programmes in Bahasa Malaysia in all free-to-air TV stations to (free-to-air) had increased to RM236 million last year from RM226.7 million in 2004. On the other hand, figures from auditing and rating agency showed advertising expenditure on English programmes had declined to RM130 million from RM163.8 million during the same period, he told Bernama. The minister said a report from the Audit Bureau of Circulations (ABC) also showed a rise in sales of Malay newspapers especially tabloids which had overtaken English newspapers, and which also proved that the audience in Bahasa Malaysia had a big purchasing power.

Bernama Newswire: March 30, 2006

6.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

6.4.1 DETTOL ROLLS OUT HYGIENE CAMPAIGN IN CHENNAI

Dettol, the signature product of Reckitt Benckiser, which manufactures household and cleaning products, has a 60 per cent market share of the handwash segment of the soap market, according to Mr Chander M. Sethi, Chairman and Managing Director, Reckitt Benckiser (India) Ltd (RBIL). The handwash market is currently about Rs 35 crore and is growing at 40 per cent every year. Currently, the household penetration in India for handwash soaps is about three per cent; in other countries with comparable populations it is 15-20 per cent, he added. To spread awareness about the importance of hygiene and cleanliness, the company has launched the 'Dettol Surakshit Parivar' programme in Chennai.

Business Line: March 31, 2006

6.4.2 ADVERTISING AGENCIES TO CHARGE CLIENTS A PITCHING FEE

The Advertising Agencies Association of India (AAAI), which has 84 advertising agencies as its members, has decided to charge a pitching fee to clients with effect from Apr 2006. AAAI has allowed agencies to charge a fee to clients if the clients called for a creative pitch. It has justified the pitching fee on account of the huge deployment of resources needed for a creative pitch. The pitching fees has been fixed at approximately Rs25,000 for an account under Rs2crore, Rs50,000 for an account between Rs2-crore and Rs10-crore and Rs1 lakh for an account above Rs10-crore.

Economic Times: March 10, 2006

6.4.3 TEA BOARD TO SPEND RS.3-CRORE ON PROMOTION CAMPAIGNS

The Tea Board plans to spend Rs3-crore to promote the consumption of tea, through promotion campaigns. The campaigns, to be launched by the end of March 2006, will promote tea as a health drink. The campaign will target youngsters who are attracted by colas.

Business Standard: March 14, 2006

6.5 PACIFIC: AUSTRALIA & NEWZELAND

6.5.1 DOVE CAMPAIGNS FOR REAL BEAUTY

Challenging the notion that beauty means being a certain size, age or cup size is the aim of the new magazine and outdoor advertising for Dove launching in Australia on April 1st. Dubbed The Campaign for Real Beauty, the campaign features five real Australian women whose appearance differs from the stereotypical ideal of beauty. Australian women are encouraged to contribute to the debate about the nature of beauty by judging the looks of the women appearing in the campaign. So, Australian women will decide if Claire is freckled or flawless or Veronica is fat or fabulous. As part of the campaign, Dove has established the Dove Self-Esteem Fund in Australia, which supports work done with eating disorder charities.

Reed Business - B & T Magazine: March 31, 2006

6.5.2 MARKETERS SPOOKED

One of the world's biggest advertisers has agencies panicking. Global packaged-goods giant Unilever revealed in early March 2006 it has been conducting its own research into media changes, in particular how new technologies such as the internet and mobile telephones can be integrated into holistic campaigns. Agencies have long touted themselves as the experts on media fragmentation and how to reach those people outside the scope of newspapers and free-to-air television. Many have set up vast arrays of specialty services to tailor campaigns. Unilever's global media director, said the company does not want to compete with agencies but will also use in-house executives to ensure campaigns are integrated and consistent across various media.

Abix Business Journals: March 16, 2006

6.5.3 NEW BILL TO SCRAP JUNK FOOD ADS TO CHILDREN ON TV

All food and drink advertising would be banned during children's TV programs under a bill introduced by the Australian Democrats to tackle obesity. Under current laws, only alcohol advertising is banned during children's programs. But a voluntary code says advertisers should not encourage or promote an inactive lifestyle and unhealthy eating or drinking. Democrat's leader Lyn Allison said the ban should be extended to junk food to curb skyrocketing childhood obesity rates.

AAP General News: March 30, 2006

THE REPORTER

Although advertising is essentially a twentieth-century development, the first formal advertisement in Canada took place much earlier. This first advertisement was an offer of butter for sale that appeared in 1752 in an official government publication, The Halifax Gazette.

7. GOVET POLICY/REGULATIONS

7.1 GREATER CHINA: HK, CHINA AND TAIWAN

7.1.1 CHINA CONSUMER TAX MOVE TO BENEFIT FOREIGN COSMETICS BRANDS

China has announced to scrap its consumption tax levied on skin care and shampoo products as of April 1, and the tax adjustment is expected to benefit foreign brands of these products such as P&G, Unilever and L'Oreal. Theoretically, some industry insiders say, the abolition of the current 8% consumption tax will help foreign brands of skin care and shampoo products to penetrate China's vast rural market with a population of 900 million, as it will enable foreign brands to lower their prices and in turn make more rural Chinese able to afford for foreign brands. In other words, the foreign brands will meet fewer obstacles in tapping deeper into the China market after the consumer tax adjustment. Now, it is the chance for the foreign brands, and fierce market competition is thus likely in small cities and the rural market.

Asia Pulse: March 29, 2006

7.1.2 CHINA PROPOSES NEW REGULATIONS TO BAN MISLEADING PRODUCT ADS - REPORT

Chinese officials and industry leaders are calling for a revision to China's Advertisement Law to ban ads that might mislead consumers into buying faulty or even dangerous products. Advertisements touting various hospitals and medicines are flooding the Chinese media. The government says that about 2.5mln Chinese took the wrong medication because of misleading advertising, sources said.

AFX-ASIA: March 22, 2006

7.2 KOREA & JAPAN

7.2.1 NEW FOOD WATCHDOG LAUNCHED

The Korean government to introduce an integrated administrative body for food inspection and management in July. The new agency will be given full administrative powers to monitor the whole process from production and distribution to consumption. The government will designate an integrated administrative power to the new agency throughout eight ministries and agencies. Related ministries including the Ministry of Agriculture and Forestry, the Ministry of Health and Welfare all have relevant powers to control the quality of related food items, including reinforcing its food supply-monitoring unit. The new agency is to replace the Korea Food and Drug Administration, currently in charge of food inspection and ensuring safety. Instead the KFDA will be absorbed into Ministry of Health and Welfare, which mainly has authority over drugs. The government also plans to create a supervising committee for the agency to facilitate vital communication with related ministries as well as establishing a research institute. The government came under heavy fire for its foolproof management and inspection system for food after the recent revelation of contamination in some food products in Korea.

The Korea Herald: March 03, 2006

7.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

7.3.1 FDA OF THAILAND ANNOUNCES MORE 34 HAZARDOUS COSMETICS

The Food and Drug Administration (FDA) has announced 34 more cosmetic brand names that cause negative effects on the users. The cosmetics have been found to be composed by dangerous chemicals. FDA Secretary-General Phakdee Phothisiri has disclosed that the administration has notified 40 hazardous cosmetic brand names since the past two days, following the people's complaints on the usage of these products. The FDA has prohibited 74 cosmetic items to be distributed, and it has announced that the violators will be punished. They will face no more than one year imprisonment or a fine of no more than 60,000 baht, or both.

Thai News Service: March 17, 2006

7.3.2 SEVEN SALT COMPANIES VIOLATE LAW NO. 5/1999

The assembly of the Business Competition Supervisory Committee (KPPU) decrees that seven salt companies, namely PT Garam, PT Budiono, PT Garindo, PT Graha Reksa, PT Sumatera Palm, UD Jangkar Waja, and UD Sumber Samudera, have been proven validly and convincingly to have violated the Law No. 5/1999. Therefore, each of the seven companies is charged with IDR2 billion in fines. The seven companies have violated the Law No.5/1999 on Anti-Trust and Unhealthy Competition after they shipped salt from Madura to North Sumatra. KPPU also prohibits PT Graha Reksa, PT Sumatera Palm, UD Jangkar Waja, and UD Sumber Samudera from doing a ctions that can prevent other business

players from getting salt raw material from PT Garam, PT Budiono and PT Garindo. 8.9 per cent compared with 11.7 per cent in 2004.

Bisnis Indonesia Daily: March 14, 2006

7.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

7.4.1 GOVT REDRAWS LIST OF PRESCRIPTION DRUGS

The health ministry has re-organised the category of prescriptions drugs — medicines that can be sold in retail only against a registered medical practitioner's prescription— through an amendment to the Schedule H of the Drugs & Cosmetics Act. As per a notification issued a few days ago, 520-odd drugs now belong to the Schedule H, as against over 300 drugs earlier. The comprehensive revision of the Schedule comes after a gap of over 10 years. Under the Act, "prescription drugs" fall under two schedules—Schedule H and Schedule X. The latter consists of habit forming, abusable drugs requiring double prescription.

Financial Express: March 30, 2006

7.4.2 MAMTA AGRO FOODS LAUNCHES POWER BERRY

India, Mamta Agro Foods (MAF) – a sister concern of Mamta Drinks and Industries – has launched Power Berry (seabuckthorn juice), a medicinal plant which is grown in Ladakh under brand Madrid. Defence Research and Development Organisation (DRDO) has also finalized Mamta Agro Foods for the procurement and manufacturing of five new herbal drinks. The new herbal drinks are all set to hit the market in the next quarter, a spokesman of the company has said.

www.foodingredientsfirst.com

7.5 PACIFIC: AUSTRALIA & NEWZELAND

7.5.1 BFA LAUNCHES NEW STANDARD

The newly launched Australian Organic Standard (AOS) takes effect on 1 July 2006. It outlines the standards that all organic operators in Australia certified through Australian Certified Organic must comply with. Doug Haas, the chair of Biological Farmers of Australia, which was responsible for issuing AOS 2006, said that many people had input into the new standard. Haas believes it is important that the Australian organic sector continues to develop and maintain its own standards with the backing of government.

Food Week: March 17, 2006

7.5.2 SNIFF OF PERFUME CARTELS

The Australian Competition Consumer Commission may take a closer look at cosmetics and perfume companies. In early March 2006 the French Competition Council fined 13 leading cosmetic houses a total of EUR46 million (\$A75 million) for price fixing. It found that the brands, including Chanel, L'Oreal and Yves Saint-Laurent, had put pressure on

distributors and retailers in order to stamp out discounting and keep prices high. The chairman of the Australian regulator, Graeme Samuel, has previously called cartels a "cancer on the economy"

The Australian: March 16, 2006

8. TURF ABROAD

8.1 UNITED STATES

8.1.1 JANSON BECKETT EXTENDS COSMECEUTICAL LINES WORLDWIDE

US cosmeceuticals player Janson Beckett has signed three distribution deals to extend its anti-ageing product lines into new markets, including Russia, the Middle East and Korea, as demand grows for its products outside of the domestic market. Janson Beckett Cosmeceuticals, a developer of peptide-based skin care products, said it has reached exclusive agreements with three international companies on multi-year pacts to distribute its complete anti-aging treatment regimen. The new distributors of the peptide-based anti-ageing treatment, will include Medoxfol+ in the Russian and Balkan market, CosmeticUs in Turkey and the Middle East, and Beacon in Korea. The company says that the distributors were chosen because they represent the high-end beauty segment it is targeting following a comprehensive review of market options and product evaluations. Janson Beckett Cosmeceuticals debuted in June 2004 with AlphaDerma CE. Since then it has achieved considerable market momentum in the US and the is now attempting to replicate that growth in new markets.

Novis Cosmetics News: March 29, 2006

8.1.2 DANISCO LAUNCHES ALLERGEN-FREE CULTURES RANGE

Danisco has developed a new range of completely allergen-free antimicrobials and protective cultures that could help food makers achieve allergen-free products. Food allergy sufferers are dependent on accurate labelling of processed foods if they are to avoid specific allergens in their diets. Now international labelling laws have been introduced to make their lives easier and safer. Danisco has responded to this new legislation by taking steps to help manufacturers avoid allergens in their products altogether. Within food protection, the company has determined to eliminate all food allergens and ingredients that may contain allergens from its range of antimicrobials and protective cultures.

www.Just-food.com

8.1.3 WRIGLEY LAUNCHES SPRING CONFECTIONERY RANGE

Branded chewing gum and confectionery giant Wm Wrigley Jr Company has rolled out a range of seasonal gum and candies. Wrigley's new spring seasonal products include Hubba Bubba Twist & Pour Easter Eggs, multi-colored egg sweets; Hubba Bubba Changerz, chewy cherry candy that changes to gum; and Hubba Bubba Spring Shapes and original Hubba Bubba bubble gum in a variety of Spring-themed shapes, including bunnies, flowers and chicks. Easter and spring lines which have appeared previously will also be launched alongside Wrigley's new products. They include Life Savers Egg venture Sweet Storybook; Life Savers Pastel Pops; and Hubba Bubba Bubble Tape in pastel colors.

www.food-business-review.com

8.1.4 AMERICAN HAMBURGER CHAIN TO USE Z-TRIM IN PHILIPPINES

FiberGel Technologies, a subsidiary of Circle Group Holdings, announced that an American hamburger chain will be using Z-Trim; it's zero calorie fat replacement ingredient in salad dressings in the Philippines. The hamburger chain has many locations throughout the Philippines and thousands more worldwide.

www.Foodingredientsfirst.com

8.1.5 NEW ADDITION TO THE METROMINT FAMILY

Metromint, the all-natural mintwater that combines pure water and real mint is introducing their newest mintwater variety: Spearmint. Many already know Metromint Peppermint with its big bold taste. Spearmint is subtle. Peppermint shouts. Spearmint whispers, refreshes, and gently enlivens the spirit. Savor Spearmint. Sip it. Or swig it. Made with pure water, and absolutely no preservatives, Metromint Spearmint delivers all natural refreshment with nuance. And like its popular cousin Peppermint, it contains no sweeteners and no calories.

Novis Cosmetics News: March 29, 2006

8.1.6 INGREDIENTS PLAYERS JOINTLY DEVELOP LEAVE-ON SKIN CARE MATERIALS

Two leading US ingredients players – Abitec and McIntyre – have combined resources to develop a new line of leave-on raw materials delivering emolliency, solvency, pigment-wetting and emulsification properties for a spectrum of topical lotions and color cosmetics. Called Mackaderm, the line answers increasing industry demands for skin care ingredients that are highly functional, easy to formulate and that are gentle enough to be left on the skin for longer periods of time. Ultimately the line is aimed at skin care formulators, particularly in the color cosmetics, sun care, moisturizer and anti-aging categories, where products are applied and often left in contact with the skin all day.

Novis Cosmetics News: March 31, 2006

8.1.7 KASHI(R) COMPANY INTRODUCES NEW LINE OF TLC(TM) CRUNCHY GRANOLA BARS

Kashi Company, the premier natural food products company, today announced the addition of TLC Crunchy Granola Bars to its successful snack product line. The bars are the first Kashi product in the crunchy granola bar segment, and the first natural brand in the category as well. Kashi unveiled the bars at the Natural Products Expo West tradeshow held in Anaheim.

www.foodingredientsfirst.com

8.1.8 FIBERGEL TECHNOLOGIES LAUNCHES Z-TRIM PLUS

FiberGel Technologies, a subsidiary of Circle Group Holdings, has announced the launching of Z-Trim Plus, a new Z-Trim product line formulated to make specific high fat foods healthier for the institutional and food service markets. The new line adds functional food ingredients such as Omega 3 fatty acids, anti-oxidants, as well as both soluble and insoluble fiber, and other ingredients essential to healthy eating, while reducing calories from fat up to 50%. Each Z-Trim Plus product is flavor-designed for a specific food application such as margarine & butter, mayonnaise, sour cream,

cream cheese and others, and is currently being tested to address childhood obesity and help satisfy requirements of the Federal School Meals program.

www.Prnewswire.com

8.1.9 SOLO GI(TM) NUTRITION INTRODUCES FIRST LOW GLYCEMIC 100 CALORIE SNACK BAR

Solo GI(TM) Nutrition, Inc. introduced the first low glycemic 100 calorie snack bar, the SoLo Gi(TM) Low Glycemic Snack Bar, at the \$36 billion natural products industry's premier trade show, Natural Products Expo West. Glycemic index (GI) is a scientific measure of the impact that a food has on blood sugar. Foods with a low glycemic index (GI) release glucose into the bloodstream slowly, providing sustained energy and a feeling of fullness or satiety without the "spike and crash" cycles that occur with highly processed foods. The bars have a very low GI value because they contain a unique blend of slow-release carbohydrates, protein, dietary fat and fiber, plus specially selected vitamins and minerals to support optimal health and energy metabolism. They are also packed with antioxidants to help protect against cell damage, calcium and Vitamin D for bone health, Vitamin B12, folic acid and iron for cell growth, and chromium and zinc to help support glucose tolerance.

www.foodingredientsfirst.com

8.1.10 STATE LAW TO LIMIT PHOSPHORUS IN DISHWASHING SOAP

A bill signed into law makes Washington the first state to adopt restrictions on the amount of phosphorus in dishwashing detergents. The law, intended to complement an existing law banning phosphates in laundry detergent, takes effect in Spokane, Whatcom and Clark counties in July 2008, and will be effective statewide in July 2010. It is the first of its kind to target a key ingredient in dishwashing detergents, its sponsor, Rep. said recently.

www.AP.com

8.1.11 JOHNSON & JOHNSON BUYS FRENCH SKIN-CARE FIRM

Johnson & Johnson's consumer unit in France agreed to buy privately held Groupe Vendome, a French marketer of adult and baby skin care products, in an effort to expand its reach in that market. Acquiring Groupe Vendome will add brands like Le Petit Marseillais shower gels, soaps and hair care products and Prim'Age baby toiletries to the J&J units list of skin-care products, sold under brands such as RoC and Neutrogena.

www.newyorkbusiness.com

8.1.12 IOWA MAKES SKIN CARE PRODUCTS USING WINE

An ophthalmologist from northeast Iowa is launching a skin care product line which he says is the only one in the world that contains wine as a prime ingredient. The product line includes: moisturizers, toners, skin lifters, skin bronzers, massage oil, and anti-aging and anti-acne products. Since one of the primary ingredients is wine, Mauer admits the skin care products do -smell- like wine. He says many of the products have something of a "musty" smell but it's not overpowering.

www.radioiowa.com

8.1.13 US CIGARETTE SALES DROP

US cigarette sales dropped 4.2 percent last year to 378 billion, the lowest level since 1951 when the country's population was less than half of what it is today. One study has put the incidence of smoking in the US at 20.9 percent of people 18 years of age or older.

www.tobaccoreporter.com

8.2 UNITED KINGDOM

8.2.1 UK: NEW PRODUCT LAUNCHED EVERY 3.5 MINUTES

Latest research from MINTEL's GNPD finds the thirst for innovation continues unabated as last year a new product** was launched every three and a half minutes. In 2005 alone, a staggering 156,125 new food and non-food fast moving consumer goods were introduced around the world. In food and drink, there were an impressive 87,656 new product launches, an 8% increase on 2004 figures. The most active markets were beverages accounting for just under a fifth (18%) of the new introductions, bakery (12%) and confectionery (11%). In the same year, some 68,469 new products were launched in the non-food sector, a similar number to 2004, with cosmetics, skincare and haircare leading the way. Displaced for several years by youth marketing initiatives, marketers are now banking on the profit potential of the senior sector. One of the main concerns about the ageing process is the appearance of wrinkles. Anti-ageing lotions and potions have been available for some time and have proved extremely popular, but we are expecting advanced technology for wrinkle management to explode onto the market. Indeed, the market is seeing professional level treatments now available for the home as both Neutrogena and Oil of Ulay have launched home micro dermabrasion systems.

www.kamcity.com

8.2.2 TREATT ADDS BANANA TO ITS FRUIT AROMAS LINE

Tapping into increasing demands for naturally-derived and distinct fruit aromas, Treatt has launched a new banana aroma adding to its Treattarome range of fruit, herb and vegetable sourced products. Banana Treattarome 9735 is the latest aroma to be added to this range of natural FTNF (From the Named Food) distillates from the UK-based flavour and fragrance ingredient business. The Company says that the new aroma is wholly distilled from fresh bananas, to give it an authentic, fruity aroma that can be added to a multitude of personal care products, including hair care, skin care and fragrances.

Novis Cosmetics News: March 20, 2006

8.2.3 TESCO LAUNCHES CHOLESTEROL-LOWERING MILK

Tesco, the UK's biggest supermarket, has launched cholesterol-lowering milk, adding to its range being marketed under its own label. In the UK, half of the population is said to have high cholesterol levels, making this a key market for functional food manufacturers. Cholesterol remains the single biggest modifiable risk factor for coronary heart disease, which kills more than 120,000 people every year in the UK alone. The milk, containing the plant sterol and stanol combination Reducol, made by Canada-based Forbes Medi-Tech adds to the margarine spread, yogurt and yogurt drink

introduced last year by Tesco. President and CEO of Forbes Medi-Tech said the launch of another Reducol-containing product with the UK's leading retailer was a very promising start to the year.

www.foodanddrinkeurope.com

8.2.4 UK SOY PRODUCTS MEET GM LABELLING STANDARDS

A UK Food Standards Agency (FSA) survey to investigate whether foods containing soya are correctly labelled to indicate whether they contain ingredients produced from genetically modified (GM) material, has found that all products complied with the law.

www.foodingredientsfirst.com

8.2.5 SMOKING CONTINUES TO FALL IN THE UK

Whereas 28 percent of people 16 and older were cigarette smokers during 1998/99, this number had fallen to 25 percent by 2004/05, according to figures released by the UK's National Statistics office to mark national no-smoking day. During 2004/05, 26 percent of men and 23 percent of women were cigarette smokers, but, in recent years, girls have been more likely to 'smoke' than have boys. During 2004, 10 percent of girls between the ages of 11 and 15 were 'regular smokers' (defined as those who usually smoke at least one cigarette a week), whereas the equivalent figure for boys was seven percent. The heaviest smoking occurs in the 35-59 age groups, where men average 17 cigarettes a day and women 14. Since 1998/99, male smokers over the age of 16 have averaged 15 cigarettes a day whereas female smokers have averaged 13. The proportion of those consuming 20 or more cigarettes a day fell from 14 percent during 1990 to nine percent during 2004/05 in the case of men, and from nine percent to six percent in the case of women. And since the early 1990s, the highest incidence of cigarette smoking has been among the 20-24 age group and the lowest in the over 60 age group, though those over 60 are more likely than younger people to have smoked at some time in their lives.

www.yahoo.com

9. REST OF THE WORLD

9.1 SYMRISE LAUNCHES NATURAL-BASED ANTI-AGEING ACTIVES

German ingredients player Symrise has launched a series plant-based active ingredients aimed at tackling the growing demand for natural products that counteract visible signs of ageing. Developed by Israeli-based Biotechnology Research (IBR), the ingredients fall into two active product groups – one produced from colourless carotenoids, the other from the narcissus plant bulb. The colourless carotenoids include two products - one derived from algae and one derived from tomato. Both have been developed using a new method that allows coloured carotenoids to be developed without the colour. CosmeticsDesign-Europe.com reported that the two companies had agreed to a marketing arrangement back in February, with Symrise choosing to launch the ingredients on the market recently. IBR-TCLC is based on colourless carotenoids in tomatoes. The trick to making the ingredient colourless is to extract the carotene precursors – phytylene and phytyluene - before the tomatoes ripen and turn them into red pigment. Likewise, the ingredient IBR-CLC is based on a

similar colourless extraction method, only using algae. Both ingredients are said to have strong anti-oxidant properties as well as being UV-protective, anti-inflammatory and antimutagenic.

Novis Cosmetics News: March 29, 2006

9.2 CZECH REPUBLIC OPENS WORLD'S FIRST BEER HEALTH SPA!

A family brewery in the Czech Republic has opened the world's first beer health centre in its cellar. The Chodovar Family brewery in Chodova Plana offers beer baths, beer massages and beer cosmetics. The cellar has seven huge Victorian style baths where visitors can swim in beer while enjoying a pint poured at a bathside bar. "Beer can treat a range of conditions, particularly skin conditions, and the health centre should appeal to men who are put off by 'posh' traditional spas. I have heard of some places in other countries where people can swim in beer but it's just a gimmick. We believe in the healing properties of beer and we offer the full range of treatments. We are a fully-fledged beer spa," Ananova quoted Jiri Plevka the owner as saying. The guests are charged 80pounds for weekend packages, and can indulge in a range of health treatments including beer wraps, starting at 12pounds per session. Published by HT Media Ltd. with permission from Asian News International.

Hindustan Times: March 26, 2006

9.3 LS LAUNCHES A SERIES OF NEW NATURAL-BASED ACTIVES

Laboratoires Sérobiologiques (LS) has launched a series of new active ingredients that tap into consumer demands for greater efficacy derived from natural products to treat specific age-related skin conditions. The ingredients, which include a newly formulated vitamin A extract and two additions to the LS Eye Line, specifically targeting the delicate skin area around the eyes, have been developed to meet the increasingly complex requirements of today's skin care formulations. The Company, which is the active ingredients division of the Cognis group, says that its vitamin A extract is specifically targeted to compare favourably with Retinol, an ingredient known for its anti-ageing efficacy, but one that is often difficult to formulate with other ingredients and is known to cause skin irritation. In answer to these LS has developed Vit-A-Like LS 9737, which it claims has a similar action to Retinol, with the advantages of being both highly stable and skin tolerant.

Novis Cosmetics News: March 16, 2006

9.4 CRODA READIES NEW INGREDIENTS TO BE UNVEILED AT IN-COSMETICS

Croda has chosen next month's In-Cosmetics expo in Barcelona as the platform to debut a host of new ingredients that concentrate on providing added functionality for sun care, hair care and skin care formulations. The Company has chosen one of the biggest events in the European personal care industry's calendar to promote a portfolio of ingredients that reflect manufacturer's desires for innovative ingredients that are easy to formulate. With increased demands for functionality of ingredients, ingredients are becoming complex to formulate, which is why all of the ingredients have been carefully developed for maximum compatibility. Super Sterol Liquid is described as an exceptional emollient that combines a high affinity with the skin. This affinity means that it is capable of imitating and augmenting many of the functions carried out by the skin's lipids. Lipids play an important part in the retention of moisture in the skin, which

consequently means that they play an important part in maintaining skin health and to prevent a host of dry skin-related conditions.

NOVIS Cosmetics News: March 24, 2006

9.5 SYMRISE LAUNCHES NATURAL-BASED ANTI-AGEING ACTIVES

German ingredients player Symrise has launched a series plant-based active ingredients aimed at tackling the growing demand for natural products that counteract visible signs of ageing. Developed by Israeli-based Biotechnology Research (IBR), the ingredients fall into two active product groups – one produced from colourless carotenoids, the other from the narcissus plant bulb. The colourless carotenoids include two products - one derived from algae and one derived from tomato. Both have been developed using a new method that allows coloured carotenoids to be developed without the colour. CosmeticsDesign-Europe.com reported that the two companies had agreed to a marketing arrangement back in February, with Symrise choosing to launch the ingredients on the market last week.

Novis Cosmetics News: March 29, 2006

9.6 CONSUMER GUIDE

Artdeco, a major cosmetics brand in Europe, offers the natural finish and double finish foundation, which blends with any skin color to achieve a naturally fresh look. This summer, Artdeco recommends blending the said foundation with its mix of light brown and bronze eye shadows with a combination of soft summer colors such as pink, green, and blue. Ardent World, Inc exclusively distributes Artdeco, touted as the cosmetics choice of professional makeup artists and award-winning stylists in Europe, in the Philippines. It is available at selected SM Watson's outlets and Robinson's department stores in Metro Manila.

Business World: March 07, 2006

9.7 SKINCARE GETS MANLY

The days when a morning grooming ritual consisted of a quick shave are over as men go in for more effort nowadays - from skin cream to anti-ageing liquids and even cosmetics. The market is offering everything a man's heart could desire in the area of personal care products. Apart from the scent and design of the product, men like to see immediate results, said Annette Kreuels of L'Oréal Paris in Duesseldorf. L'Oréal Paris's product for tired eyes has a sort of ice cube effect. Another L'Oréal Paris product that can be practical when men are on the road is a facial cloth that is designed to remove the shine caused by stress and hectic schedules. There's a vitamin serum from the US Company Zirh that claims to provide protection from environmental influences, and Energy Cream Q 10, an anti-ageing cream from the Hamburg-based Beiersdorf's Nivea men's product line. Shiseido in Duesseldorf offers a product called Body Creator Abdomen Toning Gel for reshaping men's problem zones - the belly, hips in particular. Manufacturers also are coming out with make-up like cosmetics for men, such as Gaultier's Face Bronzer, which is meant to provide evenly toned skin. There's also a special gel designed to bring unruly eyebrows into shape and a concealing cream for men handsomely designed like an ink pen for covering red splotches and blemishes. No matter where a man turns he's not likely to escape the use of a personal care product especially tailored to his needs.

Hindustan Times: March 28, 2006

9.8 SUPERMARKETS' SHRINKING SHARE IN FOOD RETAILING MARKET SPARKS OPPORTUNITIES FOR ALTERNATIVE FOOD RETAIL CHANNELS

Major demographic, lifestyle, and technological changes are creating a fertile environment for the re-invention of the food retail milieu, according to The Future of Food Retailing, a new report from market research publisher Packaged Facts, a division of MarketResearch.com, a leading provider of industry-specific market research reports. Supermarkets continue to see their share of the market fall into the hands of warehouse clubs, natural food chains, C-stores and even restaurants. Indeed, according to Packaged Facts, food-focused retailers' share of groceries and consumables has plunged from 73% in 1998 to an estimated 51% in 2005. At the same time, general merchandise-focused retailers' share of the grocery business has grown from 16% in 1998 to 33% today.

www.PRNewswire.com

9.9 INTER PARFUMS, QUIKSILVER TO DEVELOP FRAGRANCE, SUN, SKIN PRODUCTS

Inter Parfums and Quiksilver announced plans to jointly develop and distribute lines of fragrance, sun care, skin care and other products. Financial terms of the contract, which runs through December 2017, were not disclosed. The products reportedly will be marketed under the Roxy and Quiksilver brands. Inter Parfums Inc.'s Paris-based subsidiary, Inter Parfums SA, will develop new product categories for each of the two brands, the companies said in press announcements. Under the agreement, a line of Roxy fragrances will be introduced in late 2007, followed by a line of Quiksilver sun care products.

www.cosmeticsandtoiletries.com

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