Global Market Expansion Services for the personal care industry

Think Asia. Think DKSH.
Market Expansion Services: dedicated to growing business

We help companies to grow their business in new and existing markets. We expand their access to knowledge, their sourcing base, their revenue opportunities, and their market shares. Providing business partners with a comprehensive package of services to reach their individual goals is what we call Market Expansion Services.

**Your strategic partner**

DKSH is a major Swiss company and the world leader in Market Expansion Services with a focus on Asia. Our four Business Units – Consumer Goods, Healthcare, Performance Materials and Technology – operate worldwide through an extensive network of experts. Swiss stability underpinned by a strong balance sheet has helped us gain our global reputation as a strong, reliable, and long-term partner.

We offer a comprehensive range of services along the entire value chain: from sourcing, marketing and sales to distribution and after-sales services. Our business partners benefit from our long-standing relationships, local knowledge, and on-the-ground logistics. As a strategic partner we safeguard the business of our partners, while always sharing our unique market insights. It is our aim to be a trusted link between clients and customers, taking care of the products of our business partners as if they were our own.

**Business Line Personal Care Industry**

Personal Care Industry is part of DKSH’s Business Unit Performance Materials and provides Market Expansion Services for companies that are looking to source, supply, or develop materials and ingredients in the personal care industry. With its industry experience and focus on innovative ingredients and applications, Business Line Personal Care Industry makes extensive use of its global networks to create cost-effective solutions for its business partners.
Experience and networks
DKSH has done business in and with Asia for nearly 150 years. We are truly at home in Asia, where we have become an integral part of many local business environments. And we are no strangers to the rest of the world either: DKSH operates in 35 countries, with 630 business locations in Asia and 20 in Europe and the Americas, and employing over 24,000 specialized staff from 64 nations.

Integrating diverse services
We bridge the markets of Europe, Asia, and the Americas and have the ability to adapt to the businesses we serve in any local market. The diversity of industries DKSH is involved in is only matched by the range of services we perform: from sourcing raw materials to setting up and running flagship stores for luxury consumer brands, and from feasibility studies and product development to the many facets of marketing.

Our more than 180 state-of-the-art distribution centers work with the largest SAP Business Warehouse application in Asia to help execute, track, and analyze hundreds of thousands of business transactions every day. The detailed information we gain from this process contributes to the expert knowledge that we use to provide strategic advice to our business partners. Offering all these diverse services from a single source is another important aspect of what we call Market Expansion Services.

Experts and entrepreneurs
In order to provide deep industry expertise for these many fields of business, we are not only organized into four Business Units, but are further specialized into Business Lines and Industry Clusters, maintaining the hands-on and entrepreneurial style of business our company was founded on. DKSH provides a balance between specialist knowledge of our partners’ industries and a practical business approach that efficiently gets things done.
DKSH Performance Materials

What we do
DKSH Performance Materials is a trusted distributor and provider of Market Expansion Services for specialty chemicals and food ingredients used in the specialty chemicals, food and beverage, pharmaceutical, and personal care industries. A leading player in this dynamic growth market, we achieved Net Sales of CHF 697 million in 2011.

Global reach
We are active in 26 countries, with 80 locations and 17 sourcing offices worldwide that draw from over 70 markets, giving us a network of unrivalled scope and depth. With a vast and constantly growing global distribution footprint, we offer tailored services that create new distribution opportunities for chemical producers. We provide reliable sourcing around the globe and instant access to markets, managing the entire supply chain of our business partners. With our long-standing experience and relationships, we support our customers’ businesses of every size. We speak the local languages and understand the local business environments.

A constantly growing network
We continually invest to further increase our geographic reach with prime focus on Asia, Europe, and North America. In these markets, we have been expanding our product and services portfolio for the industries we work in and we operate 20 innovation centers where we generate new applications and formulations. Likewise, we invest in our people and have been increasing the number of sales and technical service experts through organic growth and acquisitions.

One-stop shop
For multinational clients, we offer a complete service package that covers the whole of Asia, increasing our business partners’ efficiency while reducing time required and transaction costs. With the market insight gained from 4,000 suppliers and 20,000 customers worldwide, we have the expertise to know exactly what matters in each application or product.

Business Unit Performance Materials
Facts as of December 31, 2011

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<thead>
<tr>
<th>Service</th>
<th>Number</th>
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<tr>
<td>Net Sales:</td>
<td>CHF 697 million</td>
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<td>Over 1,000 specialized staff</td>
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<td>Operations in 26 countries</td>
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<td>64 business locations in Asia Pacific</td>
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<td>16 business locations in Europe and North America</td>
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<td>Network of more than 4,000 suppliers and 20,000 customers</td>
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<td>17 sourcing offices worldwide</td>
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<td>20 innovation centers worldwide</td>
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Who we are
Business Line Personal Care Industry sources, supplies, and develops a broad portfolio of innovative high-performance ingredients and formulations for the personal care industry. Our over 75 specialists – pharmacologists, cosmetic chemists, and chemical engineers with extensive industry experience – are active in 23 countries around the globe. We also operate six sourcing offices that ensure global, cost-effective, and reliable sourcing. The development and application research at our seven innovation centers, located in France, China, Vietnam, India, the Philippines, Thailand, and the USA deliver a strong scientific foundation for all our products and services, as well as technical support for clients and customers. We offer an established range of raw ingredients in line with all quality and safety regulations, including REACH, ASEAN Harmonization, and China and Japan regulatory. As part of the global DKSH network, we rely on the synergies and economies of scale that come with long-established relationships to achieve the best results for our business partners.

What we do and how we do it
The Business Line Personal Care Industry focuses on specific industry needs: Market Expansion Services for specialty ingredients for skin care, hair, body, oral care, and cosmetics. Through our long-standing industry relationships we can offer access to markets for business partners, be it mass marketers, contract manufacturers, prestige product manufacturers, multilevel marketing companies, or other industry players. We also serve institutional customers such as spas, derma clinics, and beauty salons, and act as formulation consultants. We provide customized service offerings,
such as the development of prototype finished product formulations to support sales and marketing initiatives. Other consultation services include troubleshooting problematic formulations for customers; customized product development in collaboration with customers; efficacy, clinical and home usage tests, sensory evaluation, and stability testing. As a constant source of innovation, we introduce ingredients with new applications, functionalities, and benefits to our customers, cutting time-to-market by offering development support and technical assistance. By focusing on long-term success rather than short-term advantages, we accompany new products and product concepts from idea to market, all the way to after-sales services and at production facility trials. Our total supply chain management services across the entire personal care industry include logistics, distribution, and cost-effective sourcing of raw materials, while guaranteeing quality and safety, reliability, and speed. After almost 150 years of doing business in Asia, we are particularly well-connected in the innovative markets of the region. Combining a comprehensive and cutting-edge solutions toolbox with market insight and our knowledge of global trends, we create win-win solutions for our clients and customers worldwide, establishing valuable and lasting partnerships.

As part of Business Unit Performance Materials, we profit from global DKSH synergies and infrastructures.

Business Line Personal Care Industry has over 250 suppliers and 650 customers worldwide, we have the network and the local relationships and experts in place to address every challenge.
Our reach across geographies
Our unrivalled global network and complete coverage of the Asian region give us a competitive edge. We are a trusted link between clients and customers in Asia, Europe, and North America, providing clients with market access through our own strong sales organization and through technical knowledge. By working with customers across 23 countries, Business Line Personal Care Industry offers countless opportunities for clients to expand their markets.

### Business Line Personal Care locations at a glance

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales offices</th>
<th>Sourcing offices</th>
<th>Innovation centers</th>
<th>SEQRA* competence centers</th>
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*Safety, Environment, Quality, and Regulatory Affairs*
We have launched a new and cutting edge polymer line that is distributed globally through DKSH’s sales channels. Developed with a leading polymer producer, the new Luna products broaden DKSH’s personal care portfolio, offering more complete high-quality solutions for skin and hair care applications. The newly launched Luna®-mer products, a range of rheology modifiers, and Luna®-care products, a range of conditioning polymers can be used as standard materials or can be individually customized according to each customer’s need.

Moreover, Business Line Personal Care Industry supplies a wide variety of performance raw materials and specialties for the personal care industry. We also offer a range of semi-commodity products, colors, and dyes. Beyond reliable global sourcing capabilities, we provide development and applications support and services. Knowing the global trends allows us to share insights with our business partners, while our customized product development services shorten product cycles.

Our vertical industry expertise, combined with DKSH synergies, gives us the ability to manage the supply chain according to our business partners’ needs, leveraging networks and long-standing relationships for their benefit.

**Product groups**
- Actives
- Care polymers
- Cleansing surfactants
- Conditioning quats
- Depilatory ingredients
- Emollients
- Emulsifiers and dispersing agents
- Exfoliants
- Natural extracts
- Fragrances
- Hair coloration
- Humectants
- Mineral oils and vaseline
- Vegetal oils and butters
- Opacifiers and pearliezers
- Pigments and dyes
- Preservatives and anti-microbials
- Rheology modifiers
- Specialty silicones
- Solubilizers
- Styling polymers
- UV filters
- Vitamins
- Waxes

To stay at the forefront of developing new and innovative products with our customers, physical proximity is essential. For this reason, Business Line Personal Care Industry runs seven state-of-the-art innovation centers.

The main functions of the laboratories are to develop new formulations, look for new applications, and provide technical support to our customers. Thanks to our deep understanding of their product applications, we are also able to analyze our customers’ recipes and assess them for cost efficiency.

We develop formulations that cover all major categories:
- Skin care
- Hair care
- Color cosmetics
- Sun care
- Bath and body care

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**Product portfolio**

- Skincare
- Haircare
- Color cosmetics
- Sun care
- Bath and body care

- Active ingredients
- Care polymers
- Cleansing surfactants
- Conditioning quats
- Depilatory ingredients
- Emollients
- Emulsifiers and dispersing agents
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- Vitamins
- Waxes
Success stories:
Building up a client’s business from the start

DKSH’s industry knowledge and expertise opens perspectives for our clients and customers all over the world.

Challenge
DKSH was approached by a large South African manufacturer of beauty waxes and beads looking to market their excellent products outside their home market. The manufacturer had, however, no experience in exporting to foreign markets, especially the strictly regulated European markets. There was a lack of documentation, complete information, and specification on the various products.

Approach
Together with the manufacturer, DKSH Business Line Personal Care Industry developed comprehensive product documentation and marketing materials, and then approached several leading cosmetics companies. One of the major players in the cosmetics market was at that time developing innovative new formulas, and the waxes and beads from the South African company were a perfect fit for their new products.

Result
After the successful launch of the new formulas, DKSH got several other companies interested in our client’s waxes and beads. The South African manufacturer has through DKSH’s services gained industry-wide acknowledgement and their substances have become part of many products of several top companies in the cosmetics sector. After the successful entry into the French market, DKSH was able to replicate the same success in Japan, the rest of Europe, and China, as the client’s sole partner for importation and distribution in these markets. DKSH has also taken over the distribution of this substances for one of the largest multinational cosmetics groups. Success like this is due to our REACH competency, in-depth industry knowledge, and proven experience in the markets involved.

Market Expansion Services at work: a strategic partner
By building a successful business from the very start together with our business partners, DKSH has once again shown it has the expertise, market insight, and marketing experience to help companies enter new markets: an excellent example of Market Expansion Services.
Supply chain excellence for costumers

No company can achieve success alone. Behind every market-leading company there is often an exceptional business partner dedicated to ensuring its winning performance.

**Challenge**
Our partner is a world’s leading cosmetic manufacturer serving markets in 130 countries. With 23 global brands and a worldwide network of local production facilities, they depend on efficient supply chain management services to deliver raw ingredients in the right quality and at the right time. Finding the right supply chain partner for their Asian markets was a key challenge.

**Approach**
Building on their existing relationship with DKSH in Europe, this leading multi national corporation cosmetics manufacturer entrusted DKSH with providing supply chain services across Asia. Drawing on our extensive global supplier network, DKSH can ensure smooth delivery of raw materials – from hair dyes to waxes, silicone, actives, and preservatives.

**Result**
Thanks to DKSH’s 100% delivery conformity rate, flexibility in keeping safety stock, short average lead times, and delivery of pragmatic solutions for special cases, DKSH China, India, and Indonesia in 2010 were honored by the partner with a Supply Chain Excellence Award for outstanding performance in supplying all production facilities in Asia Pacific with high-quality raw materials. DKSH is particularly proud to have won this award for 2010, when China became our partner’s number three cosmetics subsidiary and DKSH clearly played a key role in supporting their impressive growth in Asia Pacific.

**Market Expansion Services at work: supply chain services going all the way**
DKSH’s global relationships, industry expertise, and entrepreneurial spirit deliver the excellent supply chain management services our business partners need to ensure successful Market Expansion, especially in Asia.
Some of our key clients
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