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Flavors & Fragrances

US Industry Study with Forecasts for **2012 & 2017**

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Gains will be driven by consumer interest in costlier natural and value-added ingredients, and growth in the addition of active ingredients with unpleasant tastes and aromas that require masking.

US demand to grow 3.7% annually through 2012

Demand for flavors and fragrances in the US is forecast to grow 3.7 percent per year through 2012. Increasing consumer interest in natural ingredients, which are generally more expensive than their synthetic counterparts, will support value gains. Also, trends toward more complex and exotic flavors and scents will boost demand for new flavor and fragrance blends. Growth in fortified food, nutraceutically enriched beverages and cosmeceuticals such as anti-aging creams will provide opportunities for flavors and fragrances that enhance the sensory appeal of these products while masking the unpleasant taste and aroma of vitamins, minerals, bleaches, antioxidants and other active ingredients.

Cosmetic & toiletry, environmental fragrance markets to grow fastest

Through 2012, the cosmetic and toiletry market will continue to record the most rapid advances. Skin care products are expected to provide strong opportunities for growth, reflecting expansion of the skin care industry itself, as middle-aged baby boomers and older adults seek anti-aging products and manufacturers continue to target growth segments with products designed for use by men, teenagers and infants. In contrast, demand for fragrances in soaps and body washes is expected to increase more slowly than the rest of the cosmetic and toiletry market, restrained by market



maturity in the large bar soap segment. Nevertheless, demand will be supported by the incorporation of value-added ingredients, including antibacterial agents which require fragrances to mask unpleasant odors. Furthermore, fragrances will continue to play an important role in product differentiation, aiding demand growth.

Environmental fragrance goods will also experience healthy gains through 2012, driven by advances in aromatherapy and household applications, as well as consumer desires for more sophisticated fragrance combinations. Candles and a host of innovative air freshener products designed to control offensive odors or simply provide a pleasant smell in the home and other living and working areas

will spur demand for fragrances. Increasingly, these products are not only being used to mask unpleasant smells, but also to create a certain ambiance through scent and provide additional benefits, such as stress relief, relaxation or energy boosting.

Despite relatively slow growth, food will remain the largest market for flavors and fragrances, based on the widespread applications. The further expansion of fortified food -- as well as beverages -- will provide opportunities, since flavors are often used to cover up the off-tastes of vitamins, minerals, antioxidants and other added ingredients. Although beverage flavor demand will grow slowly, good opportunities remain in sports and other specialty drink markets.

Sample Text, Table & Chart

PRODUCTS

Meat

Demand for meat flavor blends is forecast to increase in 2012, spurred by the growing popularity of prepared entrees. The convenience of these products help to expand the customer base. In addition, the trend towards lower-calorie flavorings, which impart more flavor, and the trend towards lower-calorie meats will also contribute to gains in demand, moderated by a shift away from meat-based emulsion meats (e.g., deli meats and hot dogs) toward leaner cuts of meat (especially poultry). In addition, the growing interest in vegetarian and vegan diets will limit gains somewhat in meat flavorings.

Meat flavorings are used in a wide variety of food products, including ready-to-eat and convenience foodstuffs, snack food and meat analogs. The use of meat flavor in convenience food allows the manufacturer to achieve better control of flavor development and distribution. For example, while most of the flavor of meat is at the surface, added meat flavor allows uniform taste dispersion throughout the product.

Snack food represents a high growth market for meat flavors, with consumption of products such as pork rinds, beef jerky and hot snacks benefitting from the popularity of high-protein diets and a resurgence of consumer interest in heartier meat flavors. In addition, meat-flavored snacks offer an alternative to consumers seeking healthier snacks which are more filling than chips but offer the convenience of single serve portions, no refrigeration and minimal (or no) preparation time.

Meat flavor is also a key ingredient in meat analogs, which represent a small but growing market, spurred by the purported health benefits of soy-based products and the increasing popularity of a vegetarian

120

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TABLE IV-9

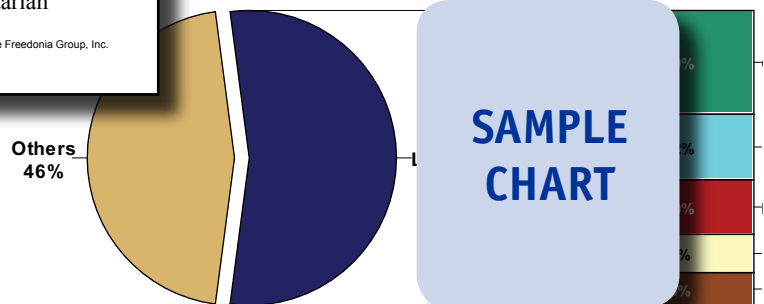
MINT OIL DEMAND
(million dollars)

Item	1997	2002	2007	2012	2017
Resident Population (million)	270	288	300	317	332
\$ mint oil/capita					
Mint Oil Demand					
By Type:					
Peppermint Oil					
Spearmint & Other Mint Oils					
By Market:					
Food					
Cosmetics & Toiletries					
Other					
% mint oils					
Essential Oil & Natural Extract Demand	420	517	600	680	740

SAMPLE TABLE

CHART V-1

FLAVOR & FRAGRANCE SALES BY COMPANY, 2007
(\$4.4 billion)

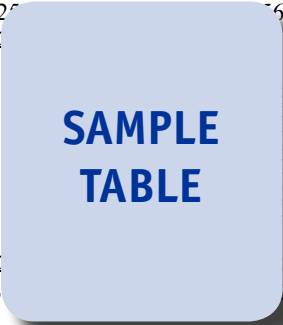


SAMPLE CHART

Sample Profile, Table & Forecast

TABLE III-10
COSMETICS & TOILETRIES:
FLAVOR & FRAGRANCE DEMAND
 (million dollars)

Item	1997	2002	2007	2012	2017
Cosmetic & Toiletry Shpts (bil \$)	25	27	29	31	33
\$ F&F/000\$ cosmetics & toiletries	2	2	2	2	2
Cosmetic & Toiletry F&F Demand	50	54	58	62	66
Perfumes & Colognes	10	11	12	13	14
Skin Care Products	15	16	17	18	19
Soaps & Body Washes	10	11	12	13	14
Other	5	6	7	8	9
% cosmetics & toiletries	2	2	2	2	2
Total Flavor & Fragrance Demand	3	3	3	3	3



COMPANY PROFILES

Belmay Incorporated
 200 Corporate Boulevard South
 Yonkers, NY 10701
 914-376-1515
<http://www.belmay.com>

Annual Sales
 Employment

Key Products: personal care, air care and fine fragrances

SAMPLE PROFILE

Belmay manufactures fragrances for personal care, home care, and air care applications. The Company operates in the United States, the United Kingdom (UK) and maintains sales subsidiaries and offices in the US, Canada, Mexico, Brazil, Poland, Russia, Turkey, Hong Kong, China, the Philippines, Thailand, Vietnam, India and South Africa.

The Company is engaged in the formulation, production and sale of a wide variety of multipurpose fragrances. For the personal care market, Belmay makes fragrances for use in shower gels, creams, soaps and other items. These fragrances include blends of woody, bergamot, citrus, rose petal, jasmine, vanilla, sandalwood and patchouli scents. The Company manufactures fragrances for such home care products as household cleaning agents, detergents and fabric conditioners. Belmay serves the air care market via the development and manufacture of fragrances for spray air fresheners, plug-in air fresheners, reed diffusers and related products. The Company also offers ODOURFOYL, a unique fragrance design system that effectively renders malodors undetectable. ODOURFOYL can be used in a variety of air care, home

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“Demand for fragrances in perfumes and colognes is expected to increase 4.3 percent per year to \$505 million in 2012. The increasing popularity of aromatherapy and aromachology, which promote the use of scents to alter moods, will continue to support growth. Consumer interest in more complex and long-lasting -- and thus more expensive -- fragrances offering richer and more enduring scent profiles will also aid demand. In addition, ...”
 --Section III, pg. 61

OTHER STUDIES

Amines

US demand for amines will grow 3% annually through 2012. Gains will be driven by new applications in personal care products, pharmaceuticals and wood preservation chemicals. Ethanolamines will remain the largest product segment by volume, and the fastest growing. Specialty amines will also offer good growth opportunities. This study analyzes the \$2.8 billion US amines industry, with forecasts for 2012 and 2017 by product and market. It also evaluates company market share and profiles industry players.

#2446 12/2008..... \$4600

Cosmetic & Toiletry Chemicals

US demand for cosmetic and toiletry chemicals will rise 5.8% yearly through 2012, aided in part by consumer preferences for organic and natural products. Chemicals used as active ingredients will benefit from continued gains in cosmeceutical skin care products and high value nanoscale additives. This study analyzes the \$6.6 billion US cosmetic and toiletry chemicals industry, with forecasts for 2012 and 2017 by product, function and market. It also evaluates market share and profiles industry players.

#2369 07/2008..... \$4700

Enzymes

US demand for enzymes will grow 6% annually through 2012. Advances will be led by continued rapid expansion in the fuel ethanol segment of the starch processing enzyme market, as well as strong growth in the large pharmaceutical and smaller biocatalyst and pulp and paper markets. Animal feed will also contribute to gains. This study analyzes the \$1.9 billion US enzyme industry, with forecasts for 2012 and 2017 by market and product. It also evaluates market share and profiles industry competitors.

#2351 06/2008..... \$4600

Waxes

The US market for waxes is analyzed in this study. It presents historical demand data (1998, 2003, 2008) and forecasts to 2013 and 2018 by wax type (e.g., petroleum and mineral waxes such as paraffin, microcrystalline and montan; synthetic waxes such as polymer and Fischer-Tropsch; vegetable and animal waxes) and market (e.g., industrial, consumer, commercial). The study also considers market environment factors, details industry structure, evaluates company market share and profiles industry competitors.

#2456 03/2008..... \$4600

Food & Beverage Additives

US food and beverage additive demand will rise 4.4% annually through 2012, driven by new and improved products. The flavored water, sports drink and energy drink markets will register robust growth. Additives in dairy products will benefit from increasing use of probiotic ingredients in yogurt and other products. This study analyzes the \$7 billion US food and beverage additive industry, with forecasts for 2012 and 2017 by product and application. It also evaluates market share and profiles major producers.

#2305 03/2008..... \$4500

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