

Feature

Home

Current Issue

Table of Contents
Welcome
Euro Style
Design Center
Just Out
Ad Index
Breaking News
Meetings
Classified Ads
Archives

Subscription

Services

Search

Annual Features

2006 Buyers' Guide
Corporate Profiles
Literature Showcase

Advertise With Us

2007 Media Planner
BPA Audit

About Us

Privacy Statement

Top 20 Global Beauty Companies

Ava Caridad, Editor

Beauty Packaging's third annual Top 20 Global Companies offers a look at the sales and marketing activities of the leading beauty and personal products companies around the world. Procter & Gamble tops the list, with L'Oréal and Unilever not far behind. Most of this year's Top 20 were able to post sales gains within their beauty and personal care divisions in 2005. All in all, the Top 20 totals a whopping \$104 billion in sales.

Company activity included a series of acquisitions, most notably, P&G's \$57 billion dollar acquisition of Gillette and L'Oréal's \$1.1 billion purchase of The Body Shop. Johnson & Johnson agreed to purchase Pfizer's consumer product business for \$16.6 billion, as well as Groupe Vendome, a privately-held French marketer of adult and baby skin care products. Alberto Culver acquired Nexxus and Salon Success while spinning off its Sally Beauty division. Kao acquired Kanebo, while Henkel acquired Right Guard, Soft & Dri and Dry Idea antiperspirants and deodorants.

Companies were ranked according to fiscal 2005 results, unless otherwise noted. Beauty sales included cosmetics, fragrance and personal care items (hair care, skin care, soap, deodorant, etc.). Oral care sales, whenever possible, were not included. Estimates are noted within the individual company profiles. All non-U.S. companies were ranked based on figures converted to U.S. dollars using the average exchange rate for that company's fiscal year.

1. Procter & Gamble
Cincinnati, OH
513.983.1100
www.pg.com
Beauty sales: \$21.1 billion
Corporate sales: \$68.2 billion

Key Personnel: Corporate-A.G. Lafley chairman, president and chief executive officer; Richard L. Antoine, global human resources officer; G. Gilbert Cloyd, chief technology officer; Clayton C. Daley Jr., chief financial officer; R. Keith Harrison Jr., global product supply officer; James J. Johnson, chief legal officer; Mariano Martin, global customer business development officer; Charlotte R. Otto, global external relations officer; Filippo Passerini, chief information and global services officer; Nabil Y. Sakkab, senior vice president, corporate research and development; James R. Stengel, global marketing officer; Marc S. Pritchard, president, global strategic planning; John P. Goodwin, treasurer; Valarie L. Sheppard, vice president and comptroller.

P&G Beauty: Susan E. Arnold, vice chairman, P&G Beauty; Paolo De Cesare, president, global skin care; Christopher de Lapuente, president, global hair care; Carsten Fischer, president, global professional care; Melanie Healey, president, global feminine care; Hartwig Langer, president, global prestige products.

Global Operations: Robert A. McDonald, vice chairman, global operations; Werner Geissler, group president, central and eastern Europe, Middle East and Africa; Laurent L. Philippe, group president, western Europe; Edward Shirley, group president, North America; Ravi Chaturvedi, president, northeast Asia; Deborah A. Henretta, president, ASEAN, Australasia and India; Daniella Riccardi, president, greater China; Jorge A. Uribe, president, Latin America.

Products/Brands: Pantene, Olay, Head & Shoulders, Cover Girl, Clairol Herbal Essences, Max Factor, Hugo Boss, Secret, SK-II, Zest, Safeguard, Rejoice, Vidal Sassoon, Clairol Nice 'n Easy, Old Spice, Pert, Ivory, Sure, Camay, Laura Biagiotti, Physique, Noxzema, Giorgio and Muse.

New Products: Olay Quench hand and body lotions, Olay Anti-Aging, Olay Moisturise in-shower body moisturizer, Olay Touch of Sun, Olay Ribbons bodywash, Pantene Color Expressions, Nice'n Easy Root Touch Up.

Comments: On Oct. 1, 2005, P&G completed a \$57 billion takeover of Gillette, the market leader in men's grooming. Last year, P&G renamed its three global business units (GBU): P&G Beauty, P&G Family Health and P&G Household Care. Each GBU and the market development organization is led by a vice chair, all of whom report to the CEO. Company executives said that with the acquisition of Gillette, about half of P&G's sales will



come from beauty and health businesses and half will come from baby, family and household categories. Gillette has also boosted P&G's long-term outlook. The company now expects annual growth of 5-7%, up from 4-6%, through 2010.

In fiscal year 2006, P&G delivered a fifth consecutive year of net sales growth at or above its target range. Net sales in 2006 increased 20% to \$68.22 billion. Sales increased behind the addition of Gillette and strong growth on the base P&G businesses.

Beauty net sales increased 7% to \$21.13 billion in 2006. Beauty unit volume increased 8% in 2006, including nine months of Gillette Personal Care results. Organic volume increased 6%. Volume growth was broad-based across categories and was driven by initiative activity including Pantene Color Expressions, Head & Shoulders brand restage, Olay Regenerist, Olay Ribbons and a technology improvement on Always.

Net sales for the April-June quarter increased 25% to \$17.84 billion. Organic sales increased 8%, well ahead of the company's post-Gillette organic sales target range of 4-6%.

2. L'Oréal

France

www.loreal.com

Beauty sales: \$18.1 billion

Key Personnel: Lindsay Owen-Jones, chairman; Jean-Pierre Meyers, vice chairman; Jean-Paul Agon, chief executive officer; Béatrice Dautresme, executive vice president, corporate communications and external affairs; Christian Mulliez, executive vice president, administration and finance; Marcel Lafforgue, executive vice president, production and technology; Geoff Skingsley, executive vice president, human resources; Jean-François Grollier, executive vice president, research and development; Alain Evrard, managing director, Africa; Marc Menesquen, managing director, luxury products division; Patrick Rabain, president, consumer products; Jean-Jacques Lebel, president, professional products; Laurent Attal, president and chief executive officer, L'Oréal USA.



Products/Brands: Hair care, skin care, sun care, color cosmetics, toiletries and fragrances marketed under such brand names as Artec, Biotherm, Cacheral, Carson, Helena Rubinstein, Lancôme, Lanvin, La Roche-Posay, L'Oréal, L'Oréal Paris, L'Oréal Professionnel, L'Oréal Perfection, L'Oréal Kids, Kérastase, Redken, Inné, Laboratoires Garnier, Giorgio Armani, Harley Davidson, Matrix, Maybelline, Jade, Gemey Paris, Jean-Louis David, Dop, Cadonet, Jacques Dessange, Ralph Lauren, Redken, Soft Sheen Carson and Vichy.

New Products: Professional-VolumeActive, Majirel colorants, ColorSmart. Consumer-RevitaLift Double Lifting skin care, Elsève Nutri-Gloss hair care and Volume Shocking mascara.

Comments: Corporate sales rose 6.5% last year and net income surged 37%.

But the big news out of France during the past 12 months wasn't about sales results, but the \$1.17 billion acquisition of The Body Shop and the retirement of long-time CEO Lindsay Owen-Jones.

By region, sales in Western Europe rose a scant 0.1% to nearly \$8.5 billion. But company executives were pleased with the way sales rose late in the year, as consumers went for "high value-added" products such as RevitaLift Double Lifting skin care and Elsève Nutri-Gloss hair care.

North America gained 6.4% to \$5 billion, buoyed by strong growth within the Garnier unit, particularly the Fructis line. Makeup sales were up due to several successful new product launches, and Redken provided a lift in the professional hair color category.

Sales in the rest of the world rose 12.6% to \$4.5 billion. The gains were attributed to China and Indonesia, but the company noted that a distribution problem hurt results in South Korea.

Helped along by an 8.5% gain in the fourth quarter, sales in the professional products division rose 6.1% to \$2.5 billion. The company credited the successful launch of the Kérastase Réflexion range.

Consumer product division sales rose 4.6% to \$9.3 billion. Garnier, L'Oréal Paris and Maybelline all recorded good gains.

Within the luxury products segment, sales rose 2.7% to \$4.4 billion. Lancôme's sales were up, thanks to the success of Platinéum skin care and L'Extrême mascara. Within the fragrance sector, Armani Code provided a lift.

The demand for effective skin care products helped sales of active cosmetics jump 13.5% to \$1.2 billion. First-half sales in Western Europe reached nearly \$9.6 billion.

3. Unilever

United Kingdom/The Netherlands

www.unilever.com



Beauty sales: \$13.3 billion
Corporate sales: \$49.4 billion.

Key Personnel: Patrick Cescau, group chief executive; Kees van der Graaf, president, Europe; Ralph Kugler, president, home and personal care; Rudy Markham, chief financial officer.

Products/Brands: Axe/Lynx, Rexona/Sure and Degree deodorants; Dove, Caress, Lux and Lever 2000 soaps; Pond's and Vaseline skin care products; Organics, Salon Selectives, SunSilk, Suave and ThermaSilk hair care products.

New Products: Dove Cool Moisture, Rexona Teens.

Comments: Unilever continues to streamline operations. At the close of 2005, nearly 80% of its turnover was managed through "One Unilever" organizations. By the end of 2006, the company expects to deliver \$871 million in savings and as much as \$1.2 billion in 2007. The reorganization has already helped sales growth, as corporate sales were up 3% in 2005 after being flat in 2004. Despite Unilever's determination to cut costs, it will maintain its dual corporate headquarters.

Within the personal care group, sales rose and the company credited the Dove "Campaign for Real Beauty" as a big reason for the sales gain.

At the regional level, sales in developing and emerging markets continues to grow. The company notes that these countries will account for 90% of the world's population by 2010. For the first time, sales in developing and emerging markets exceeded sales in Western Europe. But as important as D&E markets may be, Unilever hasn't lost focus on Europe and North America.

In 2005, Unilever managed to grow its U.S. business 3.2% behind gains in home and personal care sales. As one might expect, gains in deodorant and personal wash sales helped in a big way as Axe posted double-digit growth, and consumer demand for Dove and Rexona remained strong.

But much work remains to be done in Europe as weakness in the UK led to a decline in personal and home care sales. In Asia and Africa, sales were up 6.9%, driven by the launch of new Lux and Pond's products.

4. Estée Lauder

New York, NY
212.572.4200
www.esteelauder.com
Beauty sales: \$6.3 billion

Key Personnel: Leonard A. Lauder, chairman; Ronald S. Lauder, chairman, Clinique Laboratories; William P. Lauder, president and chief executive officer; Patrick Bousquet-Chavanne, group president; Cedric Prouvé, group president, international; Philip Shearer, group president; Daniel J. Brestle, chief operating officer; Amy DiGeso, senior vice president, global human resources; Evelyn H. Lauder, senior corporate vice president; Harvey Gedeon, executive vice president, global research and development/corporate product innovation; Malcolm Bond, executive vice president, global operations; Richard W. Kunes, executive vice president, chief financial officer.



Products/Brands: Cosmetics, fragrance and toiletries marketed under such brand names as Estée Lauder, Clinique, Prescriptives, Aramis, Origins, M.A.C., La Mer, Bobbi Brown, Tommy Hilfiger, Donna Karan, Aveda, Jo Malone, Kate Spade, Bumble and bumble, Darphin.

New Products: Estée Lauder-Perfectionist Power Correcting Patch, Go Tan Air-Brush Self-Tan Spray for Body, DayWear Plus SPF 30, Pure White Linen, Tom Ford Estée Lauder Azuree Collection, High Gloss, Illusionist Intense Mascara, Pure Color EyeShadow.

Comments: Sales rose nearly 9% last year, boosted by gains in every region and product category. Net income soared 19%. By region, sales in the Americas rose more than 7% to nearly \$3.4 billion, due to gains in all product categories. But the biggest increase came from improved sales of makeup artist and hair care brands along with products from Aramis and the designer fragrances division.

Sales in Europe, the Middle East and Africa increased 13% to \$2.1 billion due to higher sales in the UK, Spain, Portugal, South Africa and Greece, as well as improvements in travel retail. Sales in Asia/Pacific were up 8% to \$835.5 million on the strength of gains in China, Hong Kong, Australia and Taiwan, partially offset by lower sales in Japan.

By product category, makeup sales rose nearly 13% to more than \$2.4 billion. The gain included approximately \$62 million of net sales from the launches of American Beauty and Flirt!, and higher sales of Bobbi Brown and Stila products, collectively. The launches of Superbalanced Compact Makeup SPF 20 and Color Surge eyeshadow from Clinique and Lash XL Maximum Length mascara, Tender Blush, Pure Pops Brush-on Color and AeroMatte Ultraluscant pressed powder by Estée Lauder provided a boost too. Also contributing to sales growth

was approximately \$70 million of increased sales from MAC's Small eyeshadow, Studio Fix, Lustreglass and Pro Longwear lipcolor. Partially offsetting these increases was a decline of \$38 million in sales of the High Impact mascara and High Impact eyeshadow collections and the Glosswear line of products by Clinique as well as of Pure Color Lip Vinyl by Estée Lauder.

Skin care sales rose nearly 10% to more than \$2.3 billion. Approximately \$179 million of the gain was due to the introduction of Future Perfect Anti-Wrinkle Radiance crème SPF 15 and the launches of the Perfectionist and Re-Nutriv product lines by Estée Lauder, launches of Superdefense Triple Action moisturizers SPF 25 and certain Repairwear products by Clinique, the introduction of certain American Beauty and Good Skin products and the launch of Modern Friction by Origins. On a combined basis, strong sales of products in Clinique's 3-Step Skin Care System and The Lifting Face Serum and The Lifting Intensifier by La Mer added \$29 million to the sales total. Partially offsetting these increases was a decrease of approximately \$52 million in sales of Perfectionist Correcting Serum for Lines/Wrinkles, Idealist Micro-D Deep Thermal Refinisher and the White Light and LightSource lines of products by Estée Lauder.

Fragrance sales increased 3% to \$1.2 billion due, in large part, to the launch of DKNY Be Delicious and DKNY Be Delicious Men, True Star from Tommy Hilfiger, Lauder Beyond Paradise Men from Estée Lauder, Happy To Be from Clinique and Donald Trump the Fragrance. Hair care sales rose almost 10% to \$274 million. Only sales in the "other" category slipped, falling 15% to \$26.6 million.

5. Avon Products

New York, NY

212.282.5000

www.avon.com

Beauty sales: \$5.6 billion

Corporate sales: \$8.1 billion

Key Personnel: Andrea Jung, chairman and chief executive officer; GERALYN R. Breig, senior vice president and global brand president; Brian C. Connolly, executive vice president, global sales strategy; Charles Cramb, executive vice president, finance and technology, and chief financial officer; Elizabeth A. Smith, executive vice president and president, Avon North America and global marketing; Lucien Alziari, senior vice president, human resources; Gina R. Boswell, senior vice president and chief operating officer, North America; Pauline J. Brown, senior vice president, corporate strategy and global business development; Harriet Edelman, senior vice president, business transformation and chief information officer; Bennett R. Gallina, senior vice president, China, Western Europe, the Middle East and Africa; Nancy Glaser, senior vice president, global communications; Gilbert L. Klemann II, senior vice president and general counsel; Dennis Ling, senior vice president, global finance and treasurer; Amilcar Melendez, senior vice president, Latin America; John F. Owen, senior vice president, global supply chain; James Wei, senior vice president, Asia Pacific.

Products/Brands: Color cosmetics, including brands such as Avon Color and Beyond Color. Skin care, including brands such as Skin So Soft and Naturals. Hair care, including brands such as Advance Techniques. Avon Wellness; M-The Men's Catalog; Mark and fine fragrances.

New Products: Instant Manicure dry nail enamel strips, Anew Clinical Line & Wrinkle Corrector, Skin So Soft Bug Guard Plus Picaridin, Slim & Sleek Leg Perfector.

Comments: The company has a multi-year restructuring plan in place that calls for delayering; i.e., bring senior management closer to operations; exit unprofitable businesses, including Becoming in the U.S.; and move certain services from markets within Europe.

These moves come at a time when Avon still posted a 5% gain in sales last year. Net income was essentially flat. The company credited the sales gain to an increase in units and the number of active representatives.

Revenue was up in Latin America and Europe, but results in Asia Pacific were flat due to a sales decline in China. North American sales fell 5% to \$2.5 billion, due to a decline in beauty sales and the repositioning of Beyond Beauty in the U.S., which represents 85% of the North American segment.

European sales rose 9% to nearly \$2.3 billion, led by a 15% gain in Central and Eastern Europe. Latin American results were even better. The region reported a 17% gain in sales to almost \$2.3 billion. With the exception of Mexico, every country in the region posted sales growth. Sales in Asia-Pacific were flat, but still topped \$1 billion. Sales fell 7% in China, but Avon has high hopes for 2006 after the government issued a direct selling license to Avon.

On Jan. 1, 2006, the company began managing operations in Central and Eastern Europe and China as stand-alone operating segments.

Avon said that total revenue was \$2.1 billion in the second quarter of 2006, 5% higher year over year. Active representatives grew 4%. Both of these measures benefited from the company's late-2005 acquisition of its



licensee in Colombia. Units decreased 1% year over year. Total sales of beauty products in the quarter rose 4%. Operating profit of \$225 million decreased 35%, or \$119 million, from the 2005 level.

Second-quarter 2006 operating profit included costs of \$49 million to implement restructuring initiatives under the company's turnaround plan. Avon said it increased advertising in all regions, with the total spend growing 78% to over \$50 million, supporting the launch of several new products as well as the opening of direct selling in China.

Second quarter regional highlights in the North America region, second-quarter revenue was flat. A larger average order offset a 7% decline in active representatives in the region. The region has seen representative ordering activity decrease as fuel prices have escalated over the last two years. Second-quarter units were 5% lower. North America segment operating profit decreased 36%, and operating margin was 9.8%. Operating profit included \$9 million in costs to implement restructuring activities and a substantial increase in advertising.

In Latin America, second quarter revenue grew 17%, as the region benefited from the Colombia acquisition. The region's active representatives rose 13% and units increased 6% in total.

Second quarter revenue in Western Europe, Middle East and Africa increased 2%. Active Representatives were flat with the prior-year period, and units increased 4% year over year. In Central and Eastern Europe, revenue in the second quarter rose 4% and active representatives grew 7%. Units sold declined 6% versus the year-ago period, mainly due to underperformance in color cosmetics, particularly in Central Europe.

Asia Pacific revenue was 10% lower in the quarter, active Representatives decreased 14% and units declined 11%, as the region was unfavorably impacted by a continued significant decline in its Japan direct-mail business as well as the first-quarter 2006 closing of Indonesian operations.

Revenue in China grew 8% including the commencement of direct selling as well as the unfavorable impact of the exit of company-run beauty counters. Units were 4% lower year over year in the second quarter. Avon ended the quarter with over 114,000 certified sales promoters registered with the Chinese government, and more than 31,000 applicants currently in the process of being certified under the direct-selling license received by Avon in March of this year.

On July 1, Susan J. Kropf, stepped down as president and COO, following a 35-year career during which she advanced to become the company's No. 2 executive. A successor to Kropf will not be named and all business units and support functions will report directly to Jung.

6. Shiseido

Japan

www.shiseido.co.jp

Beauty sales: \$5.1 billion

Corporate sales: \$5.7 billion

Key Personnel: Shinzo Maeda, president and chief executive officer; Yasuhiko Harada, executive corporate officer; Tadakatsu Saito, corporate senior executive officer, chief area managing officer of China, chairman of Shiseido China; Yoshimaru Kumano, corporate executive officer, global R&D; Tamio Inaba, corporate officer, business strategy and marketing of cosmetics; Kohei Mori, corporate executive officer, information system planning and logistics; Masayuki Ishimaru, corporate officer, general manager of sales department and specialty stores; Toshiro Nagaya, corporate officer, production; Kiyoshi Nakamura, corporate officer, technical affairs; Kazuko Ohya, corporate officer, general manager, corporate culture; Kazutoshi Satake, corporate officer, domestic non-Shiseido brand business; Kazuo Tokubo, corporate officer, R&D strategy, patent and basic research.

Products/Brands: Skin care, color cosmetics, sun care, fragrances, hair care and toiletries sold under the Shiseido, Carita, Za, Zotos, 5S and Beauté International brands.

New Products: Tsubaki hair care, Kuyura soap and Sengan Senka facial cleanser. To be launched: Elixir Superieur skin care and Integrate makeup.

Comments: Sales rose nearly 5% last year. By sector, cosmetics, which accounted for nearly 80% of sales, rose 5.6%. Domestic cosmetic sales were up 2.2%, but international sales surged 13.3%. Sales of toiletries (9.1% of sales) were up just 1.1%.

Domestic cosmetic sales received a boost from the reworking of brand strategy, while the gain in overseas sales came from a substantial increase in China.

In domestic toiletries, Shiseido focused on shampoos and conditioners, body soaps and facial cleansers. In addition to the launch of the hair care megabrand Tsubaki, Shiseido also rolled out Kuyura soap and Sengan Senka facial cleanser.

By region, sales in Japan increased less than 2%. Sales in the Americas rose 4.3%, while European sales rose 5.4%. The gain in Europe was attributed to solid fragrance sales. But the best regional performance was turned in by Asia/Oceania. There, sales jumped more than 22%, led by big gains in China.

In the recently concluded fiscal year, Shiseido completed the first year of its three-year restructuring plan. According to company executives, Shiseido largely exceeded the original forecast and expects further reforms this year and next year will increase both growth and profitability.

In the first quarter ended June 2006, net sales increased 6%. Sales decreased a slight 0.3% in the domestic market, while it jumped 21% overseas. Domestic cosmetics sales decreased slightly, down 0.7%, while overseas cosmetics sales grew a strong 21%. Double-digit sales growth in Europe, up 12%, were helped by a demand for designers' brand fragrances such as Jean Paul Gaultier. Sales in Asia were up 16%, driven by China, where sales growth was 18%.

7. Beiersdorf

Germany

www.beiersdorf.com

Beauty sales: \$5 billion (estimated)

Corporate sales: \$5.9 billion.

Key Personnel: Thomas-Bernd Quaas, chairman, executive board, strategic corporate development, corporate communication, corporate auditing; Peter Kleinschmidt, executive board member, human resources, administration, environmental protection; Pieter Nota, executive board member, brand marketing, research and development and sales; Markus Pinger, executive board member, supply chain, procurement, production, logistics and quality management.



Products/Brands: Cosmetics and toiletries marketed under 10 brands: Futuro, Eucerin, La Prairie, Estoplast/Hansaplast, Nivea, Atrix, Juvena, Labello, Florena and 8x4.

New Products: La Prairie Silver Rain fragrance, Nivea Visage Sensitive Balance, Nivea Hair Care Color Shine, Nivea Deo Pure.

Comments: Corporate sales rose nearly 5% last year, while consumer product sales increased a little more than 5%. By region, Europe accounted for 73.2% of corporate sales; the Americas, 14.4%; and Africa, Asia and Australia, 12.4%. But the company noted that gains in the Americas were primarily due to good sales in Latin America and a strong showing by La Prairie in the U.S.

Europe posted a 3% rise in sales. In Western Europe, excluding Germany, sales rose 2.6%, helped along by gains in Spain. Sales in Germany were up less than 1%, but demand for Nivea for Men was strong. Eastern European sales jumped more than 12%, led by big gains in Russia and Poland. North American sales rose 3.2%. Nearly all countries in the region recorded growth, with the exception of Mexico, where company executives blamed the impact of hurricane damage on market growth.

Nivea sales rose in all regions, led by good performances from Nivea for Men, Nivea Deo and Nivea Hair Care Styling. Eucerin's sales jumped more than 10%, helped along by the relaunch of Eucerin Sensitive Skin. In the high-end cosmetics segment, La Prairie sales jumped 11.2% on the strength of the Silver Rain fragrance launch.

For the first half of 2006, corporate sales rose 7.2% to \$3.3 billion.

8. Johnson & Johnson

New Brunswick, NJ

732.524.0400

www.jnj.com

Beauty sales: \$4 billion

Corporate sales: \$50.5 billion

Key Personnel: William C. Weldon, chairman and chief executive officer; Robert J. Darretta, vice chairman; Colleen A. Goggins, worldwide chairman, consumer and personal care group.

Products/Brands: Aveeno skin care products, Clean & Clear teen skin care products, Johnson's pH5.5 skin and hair care products, Neutrogena skin and hair care products, Piz Buin and Sundown sun care products, RoC skin care products, Shower to Shower personal care products.

New Products: Johnson's Soft and Johnson's Soothing Naturals, Aveeno Ultra-Calming, Aveeno Essential Moisture lip conditioner, Aveeno Continuous Protection sunblock lotion.

Comments: On June 26, Johnson & Johnson agreed to purchase Pfizer's consumer product business for \$16.6 billion. The acquisition adds more bulk to J&J's fast-growing consumer products division. Neutrogena became the first J&J skin care brand to top the \$1 billion mark in annual sales. Sales of skin care products rose 12.2% to \$2.4 billion and baby and kid care sales rose 7.9% to \$1.6 billion. Overall, corporate sales rose 6.7% and net income was up 22.4%.

For the first quarter of 2006, corporate sales rose 1% to \$13.3 billion. Worldwide consumer segment sales rose 3.3% to \$2.4 billion. The sales gain was attributed to strong sales of Aveeno, Neutrogena and Johnson's adult skin products. During the quarter, the company announced that it had entered into an agreement to acquire Groupe Vendome, a privately-held French marketer of adult and baby skin care products.

9. Alberto-Culver

Melrose Park, IL
708.450.3000
www.alberto.com
Beauty sales: \$3.2 billion (estimated)
Corporate sales: \$3.5 billion

Key Personnel: Carol L. Bernick, chairman; Howard B. Bernick, president and chief executive officer; John R. Berschied Jr., group vice president, global research and development; William J. Cernugel, senior vice president and chief financial officer; V. James Marino, president, Alberto-Culver Consumer Products Worldwide; Michael H. Renzulli, chairman, Sally Beauty Company, Inc.; Gary P. Schmidt, senior vice president, general counsel and secretary; Gary G. Winterhalter, president, Sally Beauty Co. Inc.

Products/Brands: Alberto VO5, St. Ives, Tresemmé, Nexxus, Consort, Motions, Soft & Beautiful and hair care products sold through Sally Beauty Company.

New Products: VO5 styling line, Nexxus (acquisition) and Salon Success (acquisition).

Comments: After a deal with Regis fell through earlier this year, in June Alberto-Culver management announced it will spin off its Sally Beauty business. Sally Beauty Company will become a stand-alone publicly traded company with its 2,465 Sally Beauty stores, 825 Beauty Systems Group (BSG) outlets and a 1,181-person direct sales force calling directly on its salon customers. Sally generated revenue of \$2.3 billion for the 12 months ended March 31, 2006, and had pre-tax operating earnings of \$244 million.

Gary Winterhalter will continue as president of Sally Beauty Company and following the separation, will assume the CEO role and will join the Sally board. Sally chairman Michael H. Renzulli has entered into a three year consulting agreement through 2009 with Sally Beauty Company.

Following the move, Alberto-Culver will be a global branded consumer products company. The operating management team will remain in place. The consumer products unit generated revenue of \$1.4 billion for the 12 months ended March 31, 2006, and had pre-tax operating earnings of nearly \$140 million.

Carol Lavin Bernick will remain executive chairman of the Alberto-Culver Co.; V. James Marino will become president and CEO and will join the Alberto-Culver board. Howard B. Bernick, president and CEO, will retire from his position at Alberto-Culver and from the board of directors after the spin off is completed.

10. Henkel

Germany
www.henkel.com
Beauty sales: \$3.2 billion
Corporate sales: \$14.9 billion.

Key Personnel: Prof. Dr. Ulrich Lehner, chairman of the management board; Dr. Lothar Steinebach, executive vice president, finance; Kasper Rorsted, executive vice president, human resources, purchasing, information technologies, infrastructure services; Dr. Friedrich Stara, executive vice president, laundry and home care; Hans Van Bylen, executive vice president, cosmetics/toiletries.

Products/Brands: Kaloderma and Bac toiletries; Fa deodorants, foam bath, shower gel, body lotion and soap; Action, City Man and Poly hair care; Schwarzkopf cosmetics, body care and hair care; Schauma, Drei Wetter Taf and Gliss hair care, Dep, L.A. Looks and ARL hair care, Dial personal cleansers.

New Products: BC Bonacure hairtherapy, Diadermine Wrinkle Expert 3D, Fa Yogurt, got2b, Poly Color Revital Farbcreme. Acquisitions: Right Guard, Soft & Dri and Dry Idea antiperspirants and deodorants.

Comments: Henkel's focus remains on North America and the emerging markets of Eastern Europe, Africa and the Middle East, Asia-Pacific and Latin America. Last year, sales attributable to North America reached 23%, due in part to the acquisition of Dial and ARL. Now, with several P&G AP/deo brands in its lineup, North American sales should account for an even larger portion of Henkel's sales.

Corporate sales jumped 13% last year. Sales of cosmetics and toiletries rose 6.2% to \$3.2 billion. Acquisitions accounted for 4.1% of the gain; organic growth, 1.3% and foreign exchange, 0.8%. The increase is well ahead of the 2% gain posted by the global cosmetics and toiletries market, according to Henkel. Demand was robust in Eastern Europe, Asia and Latin America.

The company's colorant portfolio was strengthened through the introduction of Poly Color Revital Farbcreme,



which is especially formulated for older hair. In the body care segment, Fa was relaunched in Europe and Dial shower gels were expanded in North America. Skin care sales were up due to the popularity of Diadermine.

For the second quarter of 2006, corporate sales rose 7.3% to just over \$4 billion. Cosmetics and toiletries sales were up 9% to \$948.5 million.

11. Coty

New York, NY

212.479.4300

www.coty.com

Beauty sales: \$2.9 billion.

Key Personnel: Peter Harf, chairman, Coty Inc.; Bernd Beetz, chief executive officer, Coty Inc.; Michael Fishoff, chief financial officer, Coty Inc.; Eric Thoreux, president, Coty Beauty Americas; Hans-Joachim Honigfort, president, Coty Beauty Europe; Michele Scannavini, president, Coty Prestige; Géraud-Marie Lacassagne, senior vice president, human resources, Coty Inc.; Gabriel Ripoll, executive vice president, global operations, Coty Inc.

Products/Brands: Fragrances, cosmetics and personal care products marketed under a variety of brand names including Coty, Adidas, Lancaster, Davidoff, Rimmel and Healing Gardens.

New Products: Calvin Klein Euphoria, Live Jennifer Lopez, Love at First Glow, Lovely Sarah Jessica Parker, CK One Summer, Eternity Summer, Marc Jacobs Splash, Lancaster Sun Care, Kenneth Cole Signature.

Comments: With the acquisition of Unilever's prestige fragrance business last year, Coty became the world's largest fragrance company. The \$800 million takeover added Calvin Klein, cK One and other established brands to the Coty fragrance stable. To handle the new business, the company reworked its fragrance structure. In March, Coty created Coty Prestige, which manages both the Lancaster Group fragrances and the Unilever fragrances.

Coty dominated the Fragrance Foundation Fifi awards, taking home four prizes this year. Celine Dion Parfums Belong won Best Packaging of the Year in the Popular Appeal category; Lovely Sarah Jessica Parker won the Best National Advertising Campaign of the Year for television; Stetson Black won the Fragrance Star of the Year award (Men's Popular Appeal) and Euphoria Calvin Klein won the Fragrance Star of the Year (Women's Luxe).

12. Limited Brands

Columbus, OH

614.415.7000

www.limited.com

Beauty sales: \$2.8 billion

Corporate sales: \$9.7 billion

Key Personnel: Leslie H. Wexner, chairman and chief executive officer; Leonard A. Schlesinger, group president, beauty and personal care and vice chairman and chief operating officer; Neil Fiske, chief executive officer, Bath & Body Works; Christine Beauchamp, president, Victoria's Secret Beauty; Michael Nicholson, executive vice president and chief operating officer, Victoria Secret Beauty; V. Ann Hailey, executive vice president, corporate development.

Products/Brands: Victoria's Secret Beauty: fragrances, skin care and cosmetics; Bath & Body Works: personal care, beauty and home fragrance products, C.O. Bigelow and White Barn Candle Company.

New Products: Victoria's Secret: Beauty Rush, SuperModel Sexy Hair, Garden Pure Paradise, Victoria's Secret Spa, Bare Bronze. Bath & Body Works: American Girl and Breathe Body Care.

Comments: Corporate sales rose 3% last year, but the company's personal care businesses did better. Sales at Bath & Body Works rose 5% to nearly \$2.3 billion and sales of Victoria's Secret were up 4%.

At Bath & Body Works, the company opened seven new C.O. Bigelow stores in the Boston, Chicago and New York markets, introduced the Dr. Patricia Wexler, M.D. clinical skin care line and acquired Slatkin & Co., an importer and wholesaler of premium home fragrances.

13. LVMH

France

www.lvmh.com

Beauty sales: \$2.8 billion

Corporate sales: \$17.3 billion

Key Personnel: Bernard Arnault, chairman and chief executive officer; Antonio Belloni, group managing director.



Products/Brands: Fragrances and cosmetics sold under such brands as Christian Dior, Guerlain, Givenchy, Kenzo, Benefit, Fresh and Makeup Forever.

New Products: Miss Dior Chérie, Dior Homme and SummerbyKenzo fragrances, KissKiss lipstick, Capture Totale skin care and makeup and Orchidée Impériale skin care.

Comments: Corporate sales increased 11% and net income increased 16%.

Perfumes and cosmetics posted organic revenue growth of 7%. Revenue rose for all brands and especially for Parfums Christian Dior, due to the successful launch of Miss Dior Chérie and Dior Homme. Furthermore, skin care and makeup lines reported strong sales across all brands, while on the regional level, Asian countries posted the strongest growth.

For the first half of 2006, net profit leapt 46% to just over \$1 billion. Perfumes and cosmetics gained an impressive 80% advance to \$101 million, powered by products such as Dior Capture Totale skin cream, whose spokes model is actress Sharon Stone.

14. Colgate-Palmolive

New York, NY

212.310.2000

www.colgate.com

Beauty sales: \$2.3 billion

Net sales: \$11.4 billion

Key Personnel: Reuben Mark, chairman and chief executive officer; Ian M. Cook, president and chief operating officer; Javier G. Teruel, vice chairman; Michael J. Tangney, executive vice president and president, Colgate-Latin America; Stephen C. Patrick, chief financial officer; Andrew D. Hendry, senior vice president, general counsel and secretary; Esmond Alleyne, vice president, global information technology.

Products/Brands: Speed Stick and Lady Speed Stick antiperspirants; Irish Spring, Palmolive Naturals and Protex soaps.

New Products: Palmolive Aroma Crème, Speed Stick 24/7 deodorant with micro-absorbers, Irish Spring MicroClean bar soap, Softsoap Pure Cashmere moisturizing body wash, Speed Stick deodorant with Irish Spring scents.

Comments: Colgate markets products in two major categories: Oral, personal and home care; and pet nutrition. Beauty sales numbers are only for personal care products, which accounted for 23% of worldwide sales in 2005 and reached \$2.3 billion.

Corporate sales rose 7.5% and net income improved 2%. Gross margin dropped 70 basis points to 54.4%. Colgate expects to save \$325-\$400 million by 2008 due to its four-year, 2004 restructuring program.

Last year, sales in the oral, personal and home care segments rose 8% to nearly \$9.9 billion. Volume rose 5.5%. Oral care accounted for 38% of corporate sales, followed by home care (26%), personal care (23%) and pet nutrition (13%).

Within the oral, personal and household care businesses, Colgate divides its sales on a regional basis. Europe accounted for 24% of sales, followed by Latin America (23%), North America (22%), Asia/Africa (18%) and Australia (13%).

15. Kao

Japan

www.kao.com

Beauty sales: \$2.3 billion

Corporate sales: \$8.6 billion

Key Personnel: Takuya Goto, chairman; Motoki Ozaki, president and chief executive officer; Toshio Hoshino, senior executive vice president; Takuo Goto, executive vice president, senior vice president, global production and engineering; Hiroshi Kanda, executive vice president, president, global consumer products; Norihiko Takagi, executive vice president, president, international business-consumer products; Shunichi Nakagawa, executive vice president, vice president, legal & compliance-global vice president, global corporate communications; Masato Hirota, president, global prestige cosmetics; Toshiharu Numata, president, global R&D; Toshio Takayama, chairman, Kanebo Cosmetics; Michitaka Sawada, vice president, global research and development (feminine and baby care); Masumi Natusaka, president, global personal care (skin care and hair care); William J. Gentner, president and chief executive officer, Kao Brands.

Products/Brands: Lavenus hair care; Merit, Essential, Jenne shampoos and conditioners; Bioré facial cleansers;



Blaune semi-permanent hair color; Sofina Medicated Whitening skin care; Sofina Aube makeup; Bub bath additives; Liese Excellent hair styling product; and Jergens and Curél skin care.

New Products: Bioré Marshmallow Whip facial foam; Kanebo cosmetics (acquisition).

Comments: Corporate sales rose 3.7%. Sales of consumer products rose 2%. More specifically, personal care sales rose 4% to \$1.6 billion. In the shampoo and conditioner category, the Kao Group increased sales by improving its premium brand, Ascience, as well as adding new treatment products, in response to diversified consumer needs.

Sales of prestige cosmetics increased 8.9% to \$724 million. These results don't include results for Kanebo Cosmetics, which Kao acquired late in the fiscal year. When the next fiscal year ends on March 31, 2007, company executives expect corporate sales to jump nearly 25% due primarily to the Kanebo acquisition. In fact, prestige cosmetics sales are expected to surge to \$2.5 billion. In contrast, personal care sales are expected to gain just 2.2%.

16. Mary Kay
Dallas, TX
800.MARY.KAY
www.marykay.com
Beauty sales: \$2.2 billion

Key Personnel: David Holl, president and chief operating officer; Darrell Overcash, president; Terry Smith, chief financial officer; Melinda Sellers, senior vice president, human resources, Chief Scientific Officer: Dr. Myra Barker, executive vice president, marketing/R&D. Chief Marketing Officer: Greg Franklin, vice president, marketing.

Products/Brands: TimeWise Miracle Set, TimeWise Microdermabrasion, MK Signature Ultimate Mascara, MK Signature creme lipsticks; MK Signature lipgloss, Velocity for Him cologne, Private Spa Collection.

New Products: TimeWise Age-Fighting lip primer, TimeWise Day Solution SPF 25, MK Signature ultimate mascara, Essence, MK Signature Luscious Color lipstick, MK Signature lip concentrate, Private Spa Collection Satin Hands pampering set, TimeWise Even Complexion Essence.

Comments: Sales continue to surge at Mary Kay. The company set a new sales record again in 2005, with a gain of 22%. In April, Mary Kay appointed David Holl as president and CEO. He joined the company in 1993 and most recently served as president and COO. During his tenure, Holl is credited with expanding the company's business in China and eastern Europe. Holl replaced Richard R. Rogers, the company's co-founder and son of Mary Kay Ash. Rogers assumes the role of executive chairman.



At the end of 2005, Mary Kay Inc. had a sales force of 1.6 million and operated in 30 markets around the world.

17. Yves Rocher
France
www.yvesrocher.com
Beauty sales: \$1.6 billion
Corporate sales: \$1.9 billion

Key Personnel: Yves Rocher, founder and chairman; Bris Rocher, owner and managing director; Jacques Rocher, owner and managing director; Frank Botti, chief executive officer, Yves Rocher North America; Anne Kayser, marketing director.

Products/Brands: Skin care, cosmetics and fine fragrance.

New Products: Serum Vegetal Corrective Intervention, Bronze Nature, Aloe Vera Essential, Spa Energie Vegetale with oligo elements, Secrets d'Essences Voile d'Ambee and Ginseg Actif.

Comments: Corporate sales rose about 5% last year.

18. Kosé
Japan
www.kose.co.jp
Beauty sales: \$1.5 billion

Key Personnel: Reijiro Kobayashi, chairman; Yasukiyo Kobayashi, president; Kazutoshi Kobayashi, executive vice president; Shinji Nishina, executive director.

Products/Brands: Skin care, cosmetics and toiletries.

New Products: Cosmetics: Cosme Decorte White Science, Prédia Spa des Grands, Beauté de Kosé Closure and Astalution. Cosmetaries: Fasio mascara, Softymo cleansing series, Salon Style hair care and Coen Rich Q10 hand cream.

Comments: Sales rose 4.6% and net income was up 6.1%. By product category, cosmetics accounted for 73.6% of sales, followed by cosmetaries, 24.3% and other, 2.1%. Sales of high-value-added brands were strong. Also contributing to sales growth were strong performances by Infinity, a drugstore brand, and Albion skin care products, which are sold in department stores. As a result, cosmetics sales exceeded the company's plan for the fiscal year. International sales soared 17.8%, due to a successful advertising campaign featuring a local popular actress in China, Hong Kong and Taiwan, and the introduction of Beauté de Kosé, a high-prestige brand sold through department stores.

The company is strengthening its marketing activities, entering new sales channels and expanding into new business segments. For example, in the cosmetics business, a business unit has been established for the core Cosme Decorte brand. In cosmetaries, Kosé plans to start a new business by using products bearing brands licensed from overseas companies. Outside Japan, Kosé will continue to work on raising sales by positioning China, Taiwan and Korea as the core markets and expects sales to rise 4.5% during the year ending March 31, 2007.

19. Access Business Group

Ada, MI

616.787.3000

www.accessbusinessgroup.com

Beauty sales: \$1.3 billion (estimated)

Corporate sales: \$6.4 billion.

Key Personnel: Al Koop, chief operating officer, Access Business Group; George Calvert, chief technical officer and vice president, R&D/QA division; John Parker, chief marketing officer.

Products/Brands: Artistry color cosmetics and skin care products, Satinique shampoos and conditioners, Lustertone hair color; E. Funkhouser, New York and NAO cosmetics; Tolsom skin care; Body Series, G&H body care.

New Products: Artistry Time Defiance microdermabrasion system and micro exfoliation cloths, Satinique color care, Satinique styling products, Body Blends body care.

Comments: Corporate sales rose 3% last year. The gains were attributed to rapid sales growth in Asia, particularly in China, Korea and India. Access has 65 R&D labs worldwide, more than a dozen manufacturing facilities and a distribution network extending to more than 80 countries and territories. Access also owns organically certified farms in Brazil, Mexico and the U.S.

20. Revlon

New York, NY

212.527.4000

www.revlon.com

Beauty sales: \$1.3 billion

Key Personnel: Ronald O. Perelman, chairman; David L. Kennedy, president and chief executive officer; Lisa Baumgarten, senior vice president, strategy, planning and business development; Catherine Fisher, senior vice president, corporate communications; Carl Kooyoomjian, executive vice president, technical affairs and worldwide operations; Robert K. Kretzman, executive vice president and chief legal officer; Mary M. Massimo, executive vice president, human resources; Karl Obrecht, executive vice president, North American sales; Chris Eishaw, senior vice president, managing director, Europe; Alan T. Ennis, senior vice president, internal audit; Arthur Franson, senior vice president, worldwide manufacturing; Graeme Howard, senior vice president, managing director, Asia Pacific; John F. Matsen Jr., senior vice president, corporate controller; William Reis, senior vice president and chief procurement officer; Simon Worraker, senior vice president, Latin America region and general manager, Mexico; Neil Scancarella, executive vice president and chief science officer.

Products/Brands: Cosmetics, skin care, hair care and fragrances sold under such brand names as Revlon, Colorstay, Age Defying, Almay, Charlie, Ultima II and African Pride.

New Products: Almay-Intense i-Color; Revlon-Fabulash Mascara, Vital Radiance cosmetics.

Comments: Net sales rose 3% in 2005 and the company cut its losses 41%. Revlon is cutting 250 jobs, or 8% of its work force, and is canceling its recently launched Vital Radiance cosmetics line, which is estimated to drag down the company's operating results by \$110 million this year. The company also said it will postpone the launch of its Flair fragrance until 2007.

In September, Revlon ousted its president and CEO, Jack Stahl, and replaced him with the company's CFO, David L. Kennedy. The roles of executive vice president and chief marketing officer, held by Stephanie Klein

Peponis; chief creative officer, held by Rochelle Udell; and executive vice president and president of international, held by Tom McGuire, are being eliminated.

Last year, North American sales increased just 0.2% to \$857 million. International sales increased 7.6% to \$475.2 million, as sales in Asia Pacific and Africa increased 7.3% to \$242.6 million. In Europe and the Middle East, sales increased 3.6% to \$125 million.

For the year ended Dec. 31, the company lost \$83.7 million, compared with a loss of \$142.5 million in the previous year. Net sales reached \$1.33 billion, up from \$1.29 billion in the year-ago period.

For the first six months of 2006, net sales advanced almost 4% to \$647 million, compared to net sales of \$619 million in the first six months of 2005.

The first six months of 2006: In the U.S., net sales of \$378 million were up almost 5% versus net sales of \$361 million in the same period last year. International net sales of \$268 million advanced almost 4% compared with net sales of \$259 million last year.

Rodman Publishing • 70 Hilltop Road, Ramsey, NJ 07446 • Phone: 201-825-2552