

Sustainable Skin Care

9th Sustainable Personal Care Technology Summit
Shanghai, June 2012

Steve Biding

President, MK Life

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www.mk-life.com

2005-present

President, Japan at Perricone MD

www.perriconemd.com

2011-2012

President, NS brands

Marketing natural brands with style

2002-2005

President, Japan at Bourjois

(Chanel group)

1998-2002

VP, US and Japan at Revlon

1992-1997

Manager, M&A at MacAndrews & Forbes

(Owner of Revlon and Max Factor)

1989-1991



COSMECEUTICALS UNITED STATES

US Cosmeceutical Market

(source: Freedonia Group 2011)

- Cosmeceuticals will grow from \$6.4 billion in 2010 to \$8.5 billion in 2015, an annual growth rate of 6%
- Due to an aging population, skin care will continue to be the largest segment with a 64% share
- Injectables are growing the fastest, with annual growth of 7.4%
- Antioxidants such as Vitamins A and E have a 38% share of ingredients
- Nanotechnology for quick absorption and deep penetration is growing
- Johnson & Johnson, Procter & Gamble, and L'Oreal are the top 3 companies, with a combined share of 32%
- Murad and Perricone MD are the largest professional brands

US Cosmeceutical Segments

(source: Freedonia Group, GCI magazine 04 Aug 2011)

USD in millions	2005 Actual	2010 Actual	2015 Estimate	Annual % 2005-2010	Annual % 2010-2015
Skin care	3,100	4,060	5,480	5.5	6.2
Injectables	490	686	980	7.0	7.4
Hair care	475	549	650	2.9	3.4
Lip care	310	380	430	4.2	2.5
Tooth white	225	310	385	6.6	4.4
Other	300	460	600	8.9	5.5
TOTAL	4,900	6,445	8,525	5.6	5.8

US Cosmeceutical Highlights

(source: Freedonia Group 2011)

- Provide appearance-enhancing benefits (e.g., anti-aging) to consumers
- Combination of consumer-targeted marketing and science
- OTC products are promoted heavily in mass media, online, and in-store
- Claims for active ingredients need more conclusive evidence
- FDA does not recognize the term “cosmeceutical”
- Classification as drug, cosmetic, or both depends on its intended use and the claims made for it, rather than the product’s ingredients
- FDA has increasing concern that many products sold as age-defying and appearance-enhancing have misleading advertising claims
- The Safe Cosmetics Act of 2011 is proposed legislation which, if enacted, would be the first for cosmetics since the Food, Drug and Cosmetic Act in 1938

Leading brand in US

Nicholas Perricone, MD

- Inflammation theory of aging
- Science-based with 40+ patents
- Beauty inside & out
- 3 tier philosophy: food, supplements, topical skin care
- Three NYT # 1 best sellers

Key ingredients & technologies

- Alpha Lipoic Acid, Vitamin C Ester, DMAE, Neuropeptides, Tocotrienols, Cold Plasma system, Acyl-Glutathione

Perricone MD brand

- Multi-channel strategy
- TV, internet, prestige retail
- #1 selling doctor brand on QVC US
- QVC in US, UK, Germany, Italy, Japan

New brand named “Super”

- Super foods as key ingredients
- For younger consumers
- Company branded stores

FOREVER YOUNG



3 tier philosophy

Food

- Consists of anti-inflammatory diet
- High quality protein found in fish, shellfish, poultry, and tofu
- Low glycemic carbohydrates including colorful fresh fruits & vegetables, whole grains such as oatmeal, and legumes such as beans and lentil
- Healthy fats found in cold water fish such as salmon, nuts, seeds, olive oil
- Water and green tea



Supplements

- Vitamins and minerals
- Other including ALA, Vitamin C Ester, Coenzyme Q-10, Omega-3 essential fatty acids, and astaxanthin



Topical skin care

Tier 1 – Food

Perricone's top 10 superfoods

Acai
Allium
Barley
Beans and lentils
Buckwheat
Green foods
Hot peppers
Nuts and seeds
Sprouts
Yogurt and kefir

Beauty-brain connection

- Essential fatty acids
- Antioxidants
- Fiber



Tier 2 – Supplements

Perricone's top 10 supplements

- Omega 3 and DMAE from salmon
- Alpha lipoic acid (ALA)
- Astaxanthin
- Carnitine
- Acetyl L-Carnitine
- Conjugated linoleic acid (CLA)
- Coenzyme Q10 (CoQ10)
- Chromium
- Gamma linolenic acid (GLA)
- Dimethylaminoethanol (DMAE)



Cold Plasma serum

Helps correct 10 visible signs of aging

- Wrinkles
- Enlarged pores
- Dryness
- Redness
- Discoloration
- Uneven skin tone
- Impurities
- Loss of firmness
- Loss of smoothness
- Loss of radiance

Patented ionic delivery system

- Biochemical individuality
- Allows your skin to extract from the formula what you need



Super foods

Super foods concept

- Introduced in *The Perricone Promise* book in 2004 and on the *Oprah* television show in 2005
- Explained many super foods, including Acai, a little known berry from the Amazon
- Active phyto-nutrients and antioxidants in topical skin care
- Targets younger consumers

Science of nutrigenomics

- Effective and safe strategies to protect cells
- Many foods and nutrients form the basis of “Super,” including Acai, Coconut, Turmeric, and Red Algae



COSMECEUTICALS JAPAN

Leading brand in Japan

Dr. Ci:Labo brand

- Founded by Yoshinori Shirono, MD
- #1 doctor brand in Japan
- Natural ingredients
- Multi-channel strategy
- TV, internet, catalog, retail

Aqua Gel Collagen cream

- 10 million units sold in 1st ten years
- Many products in Japanese regimen,
- 5 products in 1
- Mild, moisturizing gel for sensitive skin

Key ingredients

- 4 ceramides, ATP complex
(Japanese & Chinese plants), Vitamin H,
Vitamin P



PRODUCT PHILOSOPHY

Organic ingredients

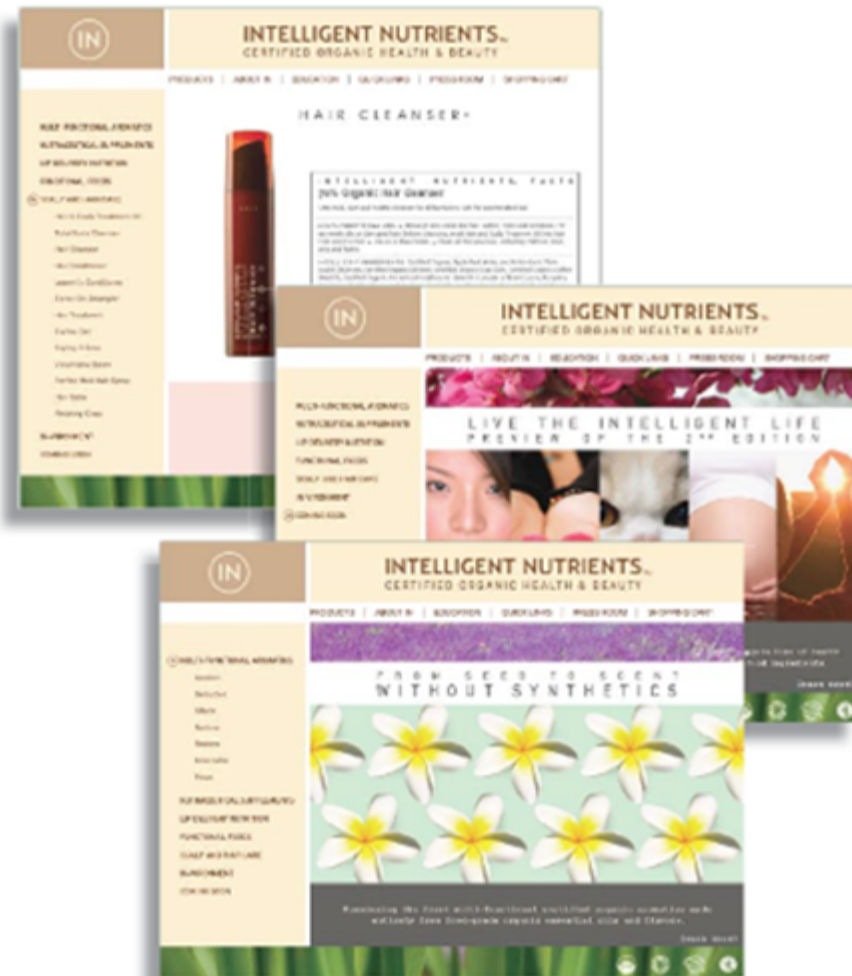
Intelligent Nutrients brand

Horst Rechelbacher

Founder of Aveda

His idea

Don't put on skin unless you can eat it



Natural ingredients

Alban Muller of France

The “Natural Product Designer”

Natural ingredient supplier

Sustainable sourcing

Eco-friendly manufacturing

Founder, The Herboretum

Biodiversity and consumer education

President, Cosmetic Valley

Collaboration government, universities

Suppliers, brands



Bio-technology

Solazyme

Biotechnology co in San Francisco

Making bio-fuels from micro algae

Skin care was unexpected application

Algenist brand

Launched Sephora and QVC in 2011

Key ingredient

Algae which protects itself, mimics human skin

(Similar idea with Padina Pavonica)



Bio-technology

Sif Cosmetics

Bio-technology company in Iceland that makes the only plant-produced Epidermal Growth Factor;

Barley seeds are grown in volcanic pumice, watered with pure spring water in state-of-the-art greenhouses, using renewable underground volcanic energy for heating and lighting.

Bioeffect brand

Launched Europe in 2010

Star product is the EGF Serum

Key ingredient

EGF from barley seeds



SUSTAINABILITY

Definition of Sustainability

United Nations



Cycle of Life



Plants grow, making sugars, starches, oils, cellulose and other complex molecules from simple raw materials, mostly water, CO₂ and sunshine.

In addition to harvesting food, people extract fuel and base materials for industry and commerce.

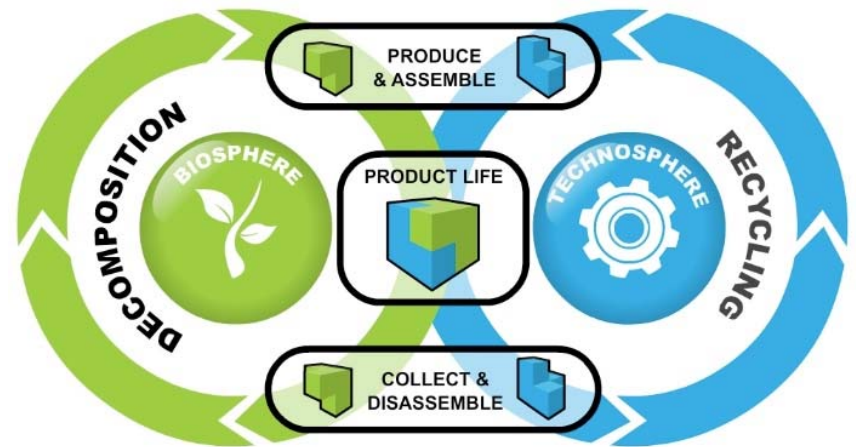
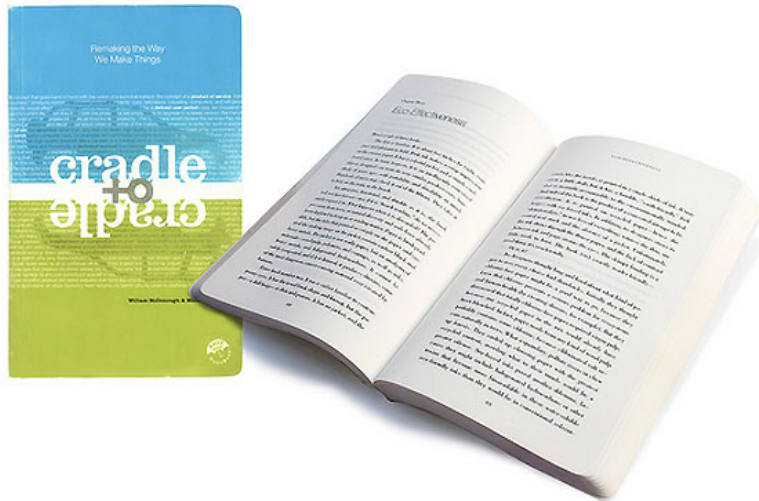
Manufacturers make wares, measuring profitability in environmental and social terms as well as financial.

The end-user reuses and repairs, only recycling after as long a useful life as possible.

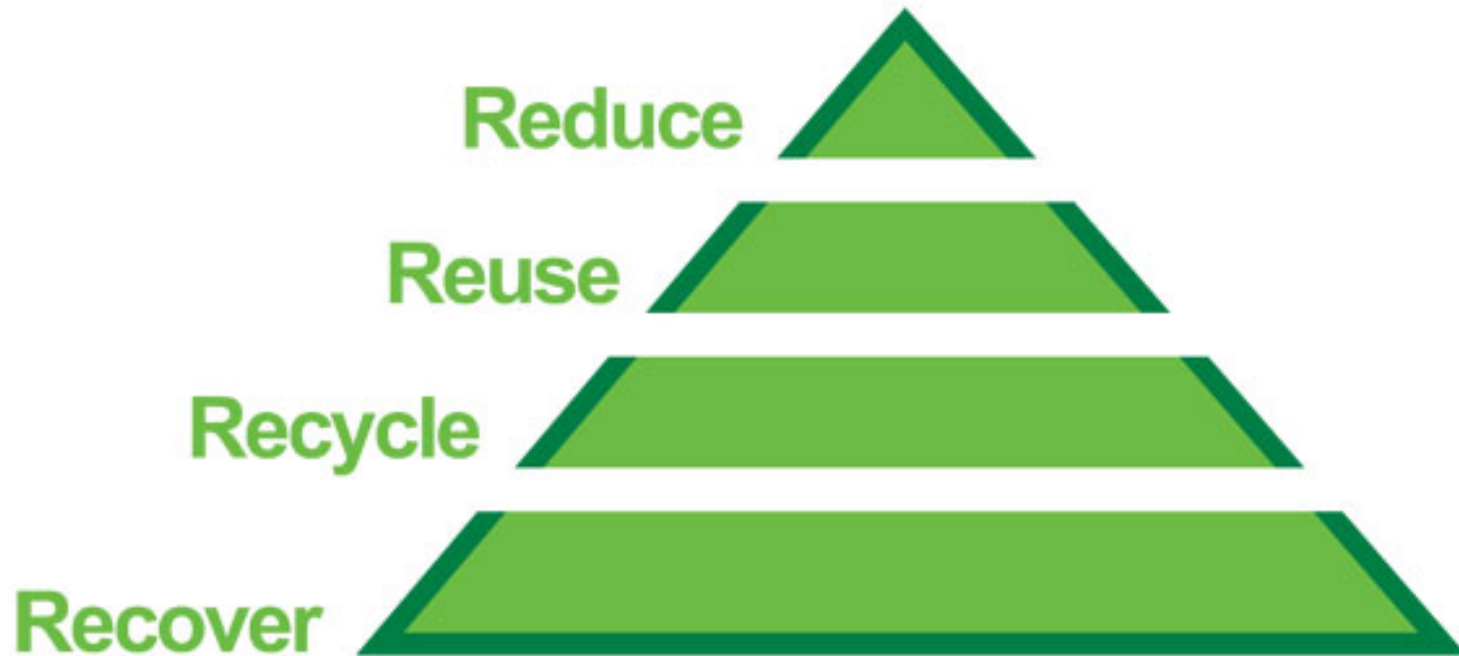
At the end of its life the article decays, reducing large complex molecules to simple raw materials by the action of bacteria and fungi - composting

Plants grow, making sugars, starches, oils, cellulose and other complex molecules from simple raw materials, mostly water, CO₂ and sunshine.

Cradle to Cradle



Use Design to Reduce



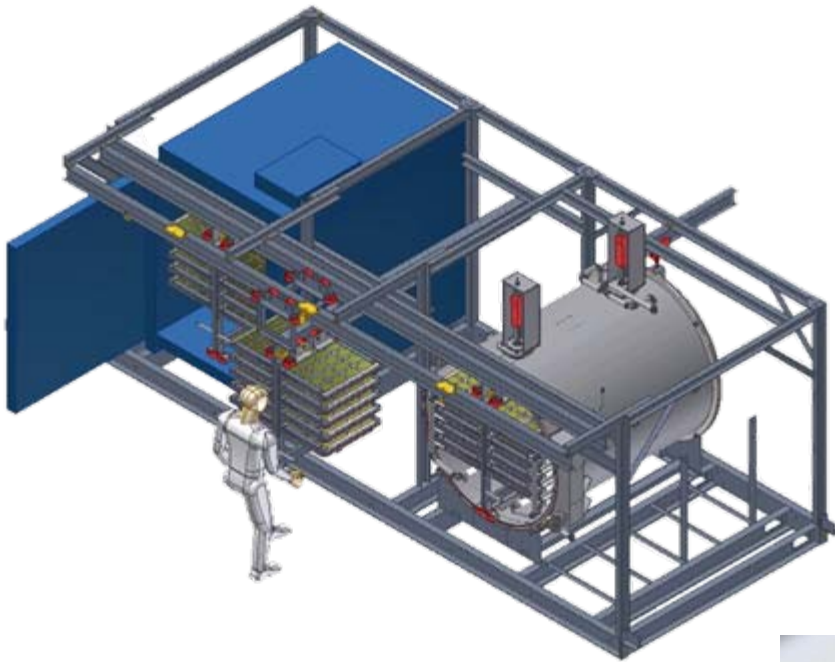
Plant Cultivation

Maqui – Super Fruit from Chile



Zeodration

Eco-friendly Plant Extracts



Green Chemistry

Bio-diversity and Bio-technology



Green Chemistry

Bio-diversity



Lipolami[®]
Milk Thistle

*Active and Natural
Formulation Ingredient*

- To formulate **silicone-free** products with a silky, light and non-sticky touch!
- Sensation of intense comfort and flexibility
- Numerous assets in formulation
- High omega-6 content with a protective activity

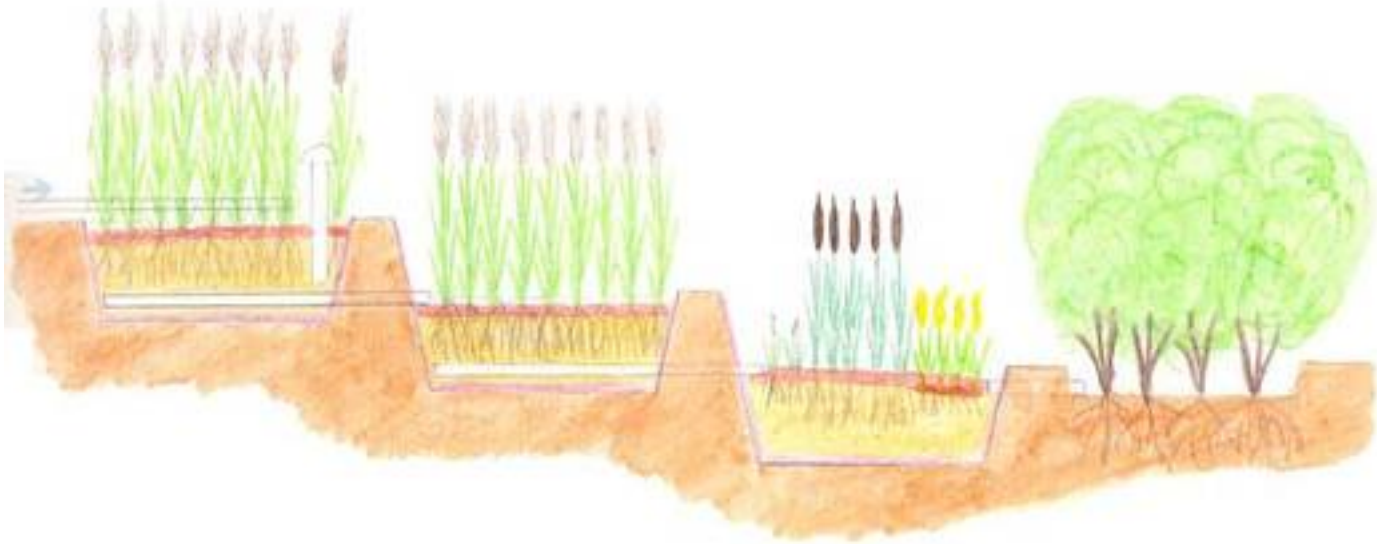
Green Chemistry

Bio-technology



Filtering Gardens

Plant Roots Clean the Factory Water



Green Packaging

World's first 100 percent plant-based PET bottle



Green Packaging

Less Plastic / Re-useable for Food



Green Packaging

Plantable, Recycled Fiber from Reclaimed Newspaper



RECAP

Key points

- Growth of anti-aging market: cosmeceuticals and nutraceuticals
- Product philosophies, including organic, natural, and bio-technology
- What is Sustainability?
- The cycle of life
- Sourcing
- Extraction
- Formulation
- Production
- Packaging



Thank You

