Russia drives premium fragrance growth

Global fragrance sales are predicted to surpass $45bn in five years, according to a new survey by Global Industry Analysts (see p3 for more details), with Latin America and the Asia Pacific region spearheading this growth. But it is the Russian market which holds the most potential for growth in the still relatively niche super premium sector.

Russia is now the world’s highest value market for super premium fragrances, with growth outpacing mid-range products. According to the Perfumery and Cosmetic Association of Russia (PCAR), there was an 8% growth in value terms for the whole of the fragrance market in 2011, while super premium fragrances have seen continuous growth, accounting for 45% of the total value of fragrance sales in the country in 2012, according to industry analyst, Euromonitor International. Demand too has grown by 6% in value terms despite the current economic downturn and there has been a 14% increase in prices for premium and super premium fragrances.

Beauty analysts believe Russians have always had an elitist sensibility with regard to luxury items (consumers buy high end brands for the name primarily) but with many super premium fragrance brands the name is not necessarily the key factor. Service and the quality of the perfumery materials have become more important purchasing considerations.

The growth of luxury shopping malls and specialised retailers such as Sephora and Ile de Beauté (the former owns a 60% stake in the latter), have made super premium fragrance more accessible to the Russian consumer, particularly beyond the traditional shopping grounds of Moscow and St Petersburg. Direct sales too have held their own in the premium fragrance market.

Travel retailer The Nuance Group, for instance, has begun selling its super premium fragrance offer in airports frequented by wealthy Russians in search of sunshine. Fragrance lines include Boss The Collection, Dolce & Gabanna’s Velvet Collection and Tom Ford’s Private Blend Collection, all of which have been chosen to attract high spending Russian passengers.

The majority of super premium fragrances are still targeted at women but the male market also has potential for growth. Fragrance represents an integral part of the male grooming market, which is growing in Russia and other BRIC countries.

Looking further afield, analysts predict sales of super premium scents will continue to prosper in markets such as the Middle East, where the burgeoning middle class is fuelling demand in premium perfumes but also in emerging regions such as Brazil, where the luxury market in general has enjoyed dynamic sales.

Emma Reinhold
**People**

Sir Lindsay Owen-Jones will resign as honorary Chairman of French beauty giant **L’Oréal**, effective 26 April.

In a statement addressed to the company’s current Chief Executive **Jean-Paul Agon**, Owen-Jones, who was a former L’Oréal Chairman, said: “I believe that a former Chairman must not indefinitely extend his presence on the board of directors. I wish to express to the entire board, my recognition and pride for the confidence that the directors have shown in me.’”

Owen-Jones stepped down as CEO of L’Oréal in 2006 after 21 years in the position. He then resigned as Chairman in 2011.

Christine Daguisset has been appointed Global Deputy General Manager, Fragrance and Beauty at **Chanel**, effective January 2014. Daguisset, who has been Executive VP of Fragrance and Beauty at Chanel’s US division since 2005, is in line to replace **Christine Dagousset**, who has been Global President, Fragrance and Beauty in 2015.

**RETAIL**

French luxury department store **Galeries Lafayette** has parted ways with **Paul Delaoutre**, the CEO of its department store division. According to French financial daily **Les Échos**, Delaoutre will be replaced by **Nicolas Houzé**, son of **Philippe Houzé**, CEO of the Galeries Lafayette Group.

Despite media speculation around Delaoutre’s sudden departure, he is said to have separated with the group “on good terms”. Having been involved in the company since 1998, 38 year old Houzé was most recently President of French jewellery chain **Didier Guérin**.

**Julie Bornstein** has been appointed Chief Marketing and Digital Officer at **Sephora Americas**. Promoted from her previous role as Senior Vice President at **Sephora Digital**, Bornstein is credited for doubling the size of Sephora’s online business, driving the retailer’s mobile presence, growing its Beauty Insider loyalty programme and successfully launching sephora.com.

In her new role, Bornstein will continue to lead these areas while also assuming responsibility for brand and store marketing, public relations and creative, formerly led by **Sharon Rothstein**. Bornstein will report to **Alessandro Bogliolo**, Chief Operating Officer of Sephora Americas.

Prior to joining Sephora, Bornstein held roles including GM of **Urban Outfitters Direct** and VP of E-commerce for **Nordstrom**.

**BRAND AMBASSADORS**

**L’Oréal Paris** has added Brazilian supermodel **Isabelli Fontana** to its growing roster of ‘spokesmodels’. As the Brazilian spokesperson of L’Oréal Paris, Fontana will represent the brand in Brazil and throughout Latin America, kicking off the partnership with a hair care campaign from this month.

**Lauren Andersen** has joined US direct selling giant **Avon** as Global Celebrity Make-up Artist. In her new role, she will act as a global spokesperson for the Avon Colour brand and is also collaborating with the brand on a new colour cosmetics line, launching this summer.

“In a year when we’re launching so many innovative beauty products and updating the Avon Colour brand, we’re thrilled to partner with Lauren who is a true authority in the beauty industry,” said **Meg Lerner**, Vice President of Avon North America Marketing.

**BRAND PARTNERSHIPS**

**Men’s deodorant brand Suremen** (Unilever) has signed a three year global sponsorship deal with the **Lotus Formula 1 Team**. In line with the agreement, the brand is releasing a limited edition Suremen Lotus F1 range from this month, supported by a £4m marketing campaign.

“The range will bring new news to the male deodorant category, via an untapped but key motorsport passion point for the Suremen target audience,” said **Paul O’Connor**, Brand Manager for Suremen at Unilever UK & Ireland.
Li & Fung profits plummet 42%
Recent restructuring costs in the US have hit Hong Kong based Li & Fung. The global sourcing company saw its operating profit drop by 42% to $511m in 2012. Despite this, turnover for the year saw a marginal improvement, climbing 1% higher than the prior year to $20.22bn. In the US, the company markets products for retailers including Walgreens, Kohl’s and Macy’s. It is also the owner of personal care company Lornamead, which manages a portfolio of US, German and UK personal care brands such as Yardley and Lypsyl.

Commenting on profit loss, Bruce Rockowitz, Group President and CEO of Li & Fung Limited, said: “We recognised that our biggest management challenge was the restructuring of LF USA, which became more costly than originally envisioned. We took swift, decisive action to address the issue and also introduced strict cost control measures across the group.”

He added that the global economic environment in 2012 had been “more demanding than expected” with the company’s retail business heavily impacted by declining consumer sentiment in the US and Europe.

Mac tops brand equity poll
New figures from the 2013 Harris Poll EquiTrend (EQ) study show luxury beauty brands and retailers have gained ground in brand equity over the past year in the US. More than 1,500 brands were involved in the study and assessed on three key factors: familiarity, quality and purchase consideration.

“There’s been a lot of discussion in the media as to whether 2013 will bring about another recession, so it’s interesting to see equity is on the rise for luxury brands,” said Aron Galonsky, SVP Brand and Communication Consulting at Harris Interactive.

Within the health and beauty category, Neutrogena topped the mass market category while Mac Cosmetics ranked highest for prestige make-up. In the retail category, Saks was named top luxury department store while Amazon.com was ranked top e-tailer for the year.

Pharma giant snaps up Obagi
US based pharmaceuticals giant Valeant International has acquired all of the outstanding common stock of Obagi Medical Products, Inc. for $19.75 per share in cash. The figure represented a 28% premium on Obagi’s closing share price prior to the acquisition announcement, with the transaction expected to close in the first half of 2013.

“The acquisition of Obagi will be a valuable supplement to Valeant’s current dermatology portfolio and will further build upon our growing aesthetics franchise,” said J Michael Pearson, Chairman and CEO of Valeant.

Having achieved a total revenue of $120m last year, US based Obagi specialises in topical aesthetic and therapeutic skin health systems. Its product portfolio includes Obagi Nu-Derm, Condition & Enhance and Obagi-C Rx. Valeant’s consumer products portfolio, meanwhile, features brands including Canada’s Dr. Renaud, US skin care brand Dr. LeWinn’s and Australian brand DermaVeen.

€39m fine imposed on German manufacturers for price fixing
German anti-trust authority Bundeskartellamt has fined six German personal care and household products manufacturers, and an industry association a total of €39m for sharing information about product pricing. The companies fined include Beiersdorf, GlaxoSmithKline Consumer Healthcare, L’Oréal Germany, Procter & Gamble (P&G) Germany, Gillette Germany and shoe cream manufacturer Erdal-Rex, as well as industry association Markenverband e.V.

The current round of fines is the last stage in a drawn out anti-trust suit. Beiersdorf has already settled; L’Oréal and P&G, however, have announced that they will file protests against the ruling.

In 2006 whistle blower Colgate-Palmolive informed Bundeskartellamt that virtually all large personal care and household products manufacturers active in the German market were regularly meeting under the auspices of Markenverband. During these work groups the companies traded information about pricing strategies, fixed retail prices and discussed how to deal with retail chains and distributors. The first group of participants were fined between 2008-2011, including Henkel and Coty Germany who had to pay €24m.

Annie Kruse, Berlin

French ‘age better’ than British
According to a recent survey by online UK beauty retailer Escentual.com, French women look seven years younger than their British counterparts by the time they reach 40. The majority of respondents (89%) participating in the survey, which included Escentual’s British customers, agreed that the secret to the youthful appearance of French women lies in their anti-ageing skin care regime. Escentual also found that French women start using skin creams and serums at least five years earlier than British women, with 33% starting at 15 years of age and nearly two thirds starting by the age of 20. By comparison, British women were found to start their skin care routines around the age of 25, with just half adopting a consistent regime.

Global fragrance market value to surpass $45bn by 2018
The global fragrance market will reach $45.6bn by 2018, says Global Industry Analysts (GIA) in its Fragrances and Perfumes: A Global Strategic Business Report.
China’s naturals market tipped to grow further

Consumer attitudes in China are reflecting a growing market demand for natural products. According to new research from Mintel, 90% of urban female consumers in China buy products containing natural ingredients. This statistic rises to 92% for those aged 30-39 and 94% for those in the highest income bracket.

The research also found that product safety is an increasing concern for Chinese consumers, with 90% of female shoppers saying they are “getting more concerned about the safety of skin care products”. Mintel estimates the facial skin care segment to be worth RMB65bn ($10.46bn) in 2012, up from RMB36bn ($5.8bn) in 2007. Furthermore, Mintel forecasts the market to grow even further over the next five years to 2017 to reach RMB104bn ($16.74bn).

“Plant based cosmetic products that enhance the appearance of the skin are increasingly in demand and organic and natural herbal based skin care products are becoming increasingly popular nowadays among Chinese consumers thanks to the international skin care trend and ongoing ingredient scare cases in China,” said Jane Henderson, Global President, Beauty & Personal Care Division at Mintel.

Kanebo tests pharma route

An increasing number of Japanese cosmetics now offer specific benefits that would normally be associated with pharmaceutical products. Many contain ingredients to ward off spots, pimples, freckles and other blemishes. Generically, these go by the name of ‘cosmeceuticals’.

The latest launch from Kanebo is URURI Brightening Essence Cream V, a moisturising and brightening face cream that both provides and retains moisture as it helps to inhibit the generation of spots and freckles. It is formulated with vitamin C, hyaluronic acid and collagen, and can be used as a cream, beauty essence and moisture mask.

At the same time, Kanebo also introduced Skin Treatment Gel, a moisturising gel that helps to prevent rough skin and acne, and is formulated with nicotinamide, coix seed extract and peach leaf extract.

URURI was first launched in March 2011 as a moderately priced self selection skin care brand sold only in Japan. All products combine three different functions and are formulated with three key ingredients. URURI comprises four different lines: Moisturising, Brightening, Medicated and Firmness & Glow. URURI is sold in Japan through drugstores, general merchandising stores and other outlets.

David Kilburn, Tokyo
She added: “In Sweden, L’Oréal will now no longer be able to advertise any product that in any way claims to reduce wrinkles or to have anti-ageing effects or use[s] pictures that mislead customers about the effects of the product.”

Walgreens posts healthy Q2
US drugstore giant Walgreens has posted healthy second quarter earnings, with net earnings totalling $756m compared with $683m in the prior year quarter. The positive result was spurred on by its acquisition of UK health and beauty retailer Alliance Boots in June last year. According to Walgreens, the company is still on track to achieve its first year target of $100-$150m in combined synergies with Boots.

“We are pleased with the quarter’s results as we saw substantial strength in our pharmacy performance, leading to strong earnings growth,” said Walgreens President and CEO Greg Wasson.

Net earnings for the first half of 2013 however, came to $1.17bn, falling slightly from $1.24bn in 2012. Q2 sales also remained flat compared with the prior year quarter at $18.65bn, while first half sales decreased 2.3% to $35.96bn. Despite this, the company has continued to expand and now has 8,072 drugstores in the US – 231 more than 2012.

Colgate-Palmolive India to sell US division to holding company
Personal care giant Colgate-Palmolive India is looking to sell its US based division Colgate Palmolive Co., to a unit of its holding company. According to The Wall Street Journal, the transaction will be effective on 1 June for a total of INR598.9m ($11.1m).

Under the terms of the transaction, the division will be sold to Colgate Global Business Services Pvt. Ltd., a wholly owned subsidiary of holding company Colgate Palmolive Company USA in a “slump sale”. This means the transaction will involve a lump sum and include the transfer of all employees, assets and liabilities without individual values being assigned to each.

The company has yet to comment on its reasons for the sale.

**INTERVIEW**

**Kilian Hennessy, founder, By Kilian**

**Pushing creative boundaries**

Despite growing up in the luxury products business, Kilian Hennessy has managed to carve his own path in the industry with his By Kilian perfume brand, founded in 2007. And the industry is taking notice – the heir to the Hennessy cognac fortune picked up his first FiFi award earlier this year for his Amber Oud scent.

**What does winning a FiFi mean to you?**

If only you knew the amount of hours we spend creating a single scent – it can take up to a year. So it made me extremely happy – it is recognition from the industry for a job well done. Nothing would have been possible without Calice Becker. She is just amazing and absolutely one of the best perfumers I know.

**What opportunities do you see for your brand this year?**

2013 has started off very strong for us and we are already 115% up on last year. We are in the second phase of launching our new collection, In the Garden of Good & Evil. Our priority now is to increase sales through our existing 187 doors.

**Are your lighter fragrances designed to appeal to the Far East?**

No. We only have one point of sale in Asia, which is Harvey Nichols in Hong Kong. The ambition behind these scents was to offer a collection that would be more ‘spiritual’ as creations conceived as moments of meditation. In a way, the exact opposite side of the olfactive spectrum from our Arabian Nights collection.

**What is your presence in the BRIC countries?**

We are strongly present in Russia (10 doors) and not at all in the other markets.

**What is your marketing strategy?**

I hate the word ‘marketing’! It refers to the study of the market and we don’t do any studies. First, we don’t have the budget and, more importantly, I believe that our job is to surprise our fans by creating products they would never imagine possible.

**Are you interested in limited editions?**

We will never do a limited edition scent, nor withdraw any from the line, as I would not want a customer to fall in love with a perfume and then not be able to repurchase it.

**Have you been affected by IFRA restrictions on raw materials?**

Unfortunately yes. What the IFRA is doing is simply suicide. I am very surprised that the big groups are allowing this organisation to destroy their existing masterpieces and quash the creativity of our perfumers without any protest.

**How do you balance growth with staying true to your roots?**

We make no concessions to the quality of the environment where we choose to display our creations – space and allocation are everything. The department store environment is usually the optimum route but we opened our first store in Moscow in November 2012 and are planning the second in New York this autumn.

Patricia Mansfield-Devine, Rennes
BAMA celebrates success of aerosol recycling campaign

A recent survey carried out for the British Aerosol Manufacturers’ Association (BAMA) has revealed that almost three quarters of UK consumers who buy aerosols are recycling them. The GFK NOP survey found that nearly 70% of the population buy or use aerosols and, of those who do buy them, 73% are recycling.

Just 7% of local authorities recycled aerosols 18 years ago. Today, over 87% accept empty aerosols for recycling.

The survey revealed the 35-54 age group to be the most enthusiastic recyclers and found that personal care aerosols (the largest sector of the industry) were the most recycled aerosols.

“It is very rewarding to see that our efforts, by creating campaigns, via retailers, the media, consumers and local authorities are working,” said Dr John Morris, Chief Executive of BAMA.

DuPont finds its sweet tooth

Global packaging company DuPont has used its Surlyn resin to create a gourmand themed flacon for L’acqua di Fiori’s latest fragrance.

Inspired by the popularity of cupcakes, the Brazilian beauty brand recently launched its Cupcake Me fragrance line in a bid to appeal to ‘tweens’ aged 8-12. It is available via L’acqua di Fiori stores in Brazil and features two scents: Napolitano Chic and Caramelo Divertido.

The scent is housed in a standard glass bottle decorated with two EVA layers and topped off with a red cherry shaped perfume cap.

“During the packing planning of the new line, the main L’acqua di Fiori concern was maintaining the toughness and safety, without losing the product’s charm and attractiveness for this age group that is so demanding and linked to new trends,” said Célia Anrelink, L’acqua di Fiori Product Manager.

The red cherry inspired cap is made from DuPont’s Surlyn. The resin was said to be ideal for creating rounded caps and captured the “brightness, charm, toughness and safety requirements” of the brand, according to DuPont.

M&H Plastics shows off curves

UK packaging manufacturer M&H Plastics has added a PET bottle to its portfolio of standard packaging products.

The new 25ml bottle features a screw-on cap and bears a curved shape. It is also manufactured in PET for improved product clarity.

According to the company, the bottle’s gently curved shape makes it suitable for a wide range of market sectors. Meanwhile, the 25ml size makes it ideal for samples, travel or hotel amenities packs.

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**INGREDIENTS**

**Natural Sourcing adds argan**
Specially ingredients company Natural Sourcing has grown its line of personal care ingredients with cold pressed organic and conventional argan oils. Originating from Morocco, the oil has a shelf life of one-two years and is pressed from the fruits of the argan tree.

Known to nourish, moisturise and improve skin elasticity, argan oil is high in omega-9 oleic acid and omega-6 linoleic acid. Its high polyphenol content makes it an effective antioxidant and adds to its stable shelf life, according to Natural Sourcing.

**BMSystems enters R&D project**
Bio-Modeling Systems (BMSystems), a French developer of biological in silico models validated in vivo, has announced a joint systems biology research and development initiative with Indian software specialist Persistent Systems.

The company aims to develop a predictive computer simulated skin model that will help eliminate the use of animals in contact allergy testing in the pharmaceutical and cosmetics industries. The announcement follows the European Union’s ban on the import and sale of cosmetics containing ingredients tested on animals in March.

Bio-Modeling Systems will combine its CADI modelling platform with Persistent’s new Cell-in-Silico software to provide the first holistic systems based drug discovery solutions, according to the company.

**Mitsui partners with Solazyme**
One of Japan’s leading trading companies, Mitsui has begun a major project to synthesise high quality vegetable oils from algae, working with Solazyme, an American bio-venture that has developed technology to commercially produce oils and fuels from algae. Mitsui’s interest is in high quality oils that can be used in luxury soaps and cosmetics.

Mitsui will be paying Solazyme ¥1.8bn over four years to develop oils and technologies to Mitsui’s specifications. If the project is successful, Mitsui would gain exclusive worldwide rights, excluding Brazil, to the oils. Once the production technology has been proven, Mitsui intends to outsource production and sell the output to manufacturers worldwide.

Because sources of many high-performance vegetable oils, like palm oil, grow only in southeast Asia, it is difficult to increase production. Mitsui believes the algae based production method will be more cost effective than present approaches to increase yields and quality. The company estimates the market size for the oils of the kind it wishes to develop is about ¥200bn annually and hopes to gain a 10% market share.

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**New skin care ingredient trend bubbles up in Korea**

Bubbles have become a popular ingredient in new facial cleansers launched in South Korea this spring. The micro-bubbles both stimulate and refresh the skin while helping to remove skin debris, oil, grease and make-up.

For example, Hankook Cosmetics’ 360 Tansan Whip Cleanser is one of the newest facial cleansers on the market to incorporate a sparkling mineral water and claims the long lasting bubbles remain on the skin for six hours after application. Part of the product’s appeal is that it includes fewer ingredients overall and no surfactants, compared with many other products.

Songhak Cosmetics’ Oseque Melting Cleanser is another new product that has a base of sparkling mineral water plus alkaline ionic water. It comes as a gel-type facial cleanser that foams into bubbles when dabbed on the face. This too does not contain surfactants, colouring or preservative agents.

There are signs of a similar trend in Japan where Rohto Pharmaceutical has released a Cool white tea facial cleansing foam mousse, which uses carbon dioxide as a propellant to create a dense, elastic, long lasting foam that both cleanses the skin and improves blood circulation.

**Microbes found to clear skin**

Researchers at the David Geffen School of Medicine at UCLA have found that adding certain types of microbes to skin cream might be helpful in the treatment of acne. They found that the microbes that cause the most common forms of acne come in two types: the type that cause pimples and a beneficial type that help keep the skin healthy.

“We hope to apply our findings to develop new strategies that stop blemishes before they start,” said lead researcher Huiying Li, adding that the findings would allow dermatologists to personalise acne treatment based on “each patient’s unique cocktail of skin bacteria”.

Li and colleagues used pore cleansing strips to collect the acne bacteria Propionibacterium acnes from the noses of about 100 volunteers, half of whom had acne and half whom had clear skin. They then sequenced the genomes of 66 strains of P. acnes.

Two unique strains of P. acnes appeared in one out of five volunteers with acne, but rarely in clear-skinned people. Surprisingly, a third strain commonly showed up in volunteers with healthy skin but only rarely in those with pimples. “We suspect that this strain contains a natural defence mechanism that enables it to recognise attackers and destroy them before they infect the bacterial cell,” said Li.

Patricia Mansfield-Devine, Rennes
**MUA to make bricks and mortar move with Burbujas**

UK budget beauty brand MUA is looking to ramp up growth via emerging markets, opening its first store in Ecuador this summer. In line with a franchise agreement with Latin American beauty retailer Burbujas, MUA's first store will be situated in Mall del Sol in the Guayaquil area of Ecuador.

The new MUA shop will be just 20sqm in size and will feature over 5,000 of the brand's beauty products. Commenting on the new store opening, Adam Minto, MUA's CEO, said: “This is a key milestone in our international expansion and demonstrates the international appeal of our brand. We are delighted to be working with Antonio and his team at Burbujas. What better way to celebrate MUA’s third birthday than with the launch of our very own shop within a shop in one of the key emerging markets – Ecuador, the gateway to South America.”

Antonio Alvarez Eljuri, Burbujas CEO added: “We are very proud to be launching MUA’s first shop within a shop in Ecuador. Customers will be offered a wide variety of good quality products at accessible prices and most of all differentiated service.”

**Walgreens scales new heights**

US drugstore giant Walgreens has opened a new flagship store in New York’s iconic Empire State Building. The store, which will be open 24 hours a day, is said to feature “innovative offerings, [and] products and services unexpected from a drugstore,” according to the retailer.

“We are extremely pleased to provide another revolutionary store that demonstrates how Walgreens is transforming daily living, pharmacy and healthcare experiences nationwide,” said Mark Wagner, Walgreens President of operations and community management. “Walgreens’ innovative products and services support our commitment to help our customers get, stay and live well.”

In addition to a café and expanded pharmacy, the new store will feature a LOOK Boutique beauty department housing both prestige and niche cosmetic, skin care and hair care brands. The area will reinforce Walgreens’ focus on service, with beauty advisors on hand to help customers, along with shaping and grooming services available at the newly opened Eyebrow Bar.

Walgreens, which posted sales of $72bn in 2012, is the largest drugstore chain in the US. The company now operates over 8,000 drugstores in the US and Puerto Rico, and last year entered into a $6.7bn deal in exchange for a 45% stake in UK health and beauty retailer, manufacturer and wholesaler Alliance Boots.

**Rapid expansion drives Ulta Q4**

Net sales for US beauty chain Ulta’s fourth quarter climbed 30.3% to $758.8m from $582.5m in the prior year period. Comparable store sales also increased, jumping 8%, while net income climbed 39.4% to $64.5m.

Commenting on the results, Dennis Eck, Interim CEO, said: “Excellent execution of our multi-year growth strategy was evident in the milestones achieved during the year: we increased square footage by 23% with the addition of 101 net new stores, we greatly enhanced our offering with newness across the board and improved our digital capabilities including rapid growth in our e-commerce business.”

Looking ahead, the company expects to achieve net sales of around $568m for the first quarter of 2013, driven largely by its continued expansion plans.

**Acquisitions pay off for Dufry**

Reflecting the continued resilience of the global travel retail market, Swiss travel retailer Dufry has posted strong results for 2012. The company’s turnover for the year grew by 19.6% to CHF3.15bn while EBITDA increased by 27.8% to CHF474m.

The solid results were driven by Dufry’s recent acquisition activity, which includes several travel retail operations in South America, as well as a 51% stake in a Russian travel retailer in January 2012. In November last year, Dufry also inked an agreement with Guarulhos International Airport in São Paulo for the extension of its agreement until 2016 and the expansion of retail space in the airport by almost 50%.

“The medium and long-term trends in the travel retail industry, namely the ongoing global passenger growth, as well as the continuation of the consolidation of the travel retail industry have been confirmed and will remain valid,” said Julian Diaz, CEO of Dufry Group. “We will continue to focus on growing organically in our current operations through space expansion and accelerating like for like growth.”

**Sephora steps up techno beauty offering with Tria**

In line with a growing focus on beauty devices, French beauty retailer Sephora has begun an online roll out of the latest innovations from US beauty device maker Tria Beauty. Sephora will be previewing Tria’s new Hair Removal Laser and Skin Perfecting Blue Light in addition to its topical skin care products on Sephora.com. It was also one of the first retailers to release Tria’s new Hair Removal Laser 4X and SmoothStart Calming Gel, which launched in selected US stores in March.

“Sephora is a tastemaker in the beauty industry and has a legacy of developing brands that become ‘beauty must haves’ for consumers. A partnership between our two companies is a natural fit, given Tria’s proven track record in providing consumers with products that raise the bar in results, technology and design,” said Tim Bunch, VP and GM, Tria Beauty Inc.
**Rihanna bares all for new scent**

Just over two years since the release of her debut scent, Reb’l Fleur, Barbados born pop star Rihanna has launched her third fragrance, Nude by Rihanna. Composed by Harry Frémont of Firmenich, the floral oriental opens on guava nectar, mandarin and pear, before moving into heart notes of orange blossom, gardenia petals and velvet jasmine sambac. Finally, the gourmand base reveals sandalwood, musk and vanilla orchid.

“Rihanna is one of the world’s most talented artists. She is a captivating young woman who knows what she wants and perfectly balances strength and femininity. Her third fragrance, Nude by Rihanna, was formulated to capture Rihanna’s distinct brand of sensuality,” said Fred Purches, Chairman and CEO of Parlux, which holds the Rihanna fragrance licence.

Mirroring the shape of a stiletto heel, the flacon is decorated with a twisting nude ribbon. The fragrance is available from selected department stores priced from £20/30ml.

**Pharmaclay steps into the UK**

Spain based Pharmaclay Delivery System, S.L. has released a new line of clay masks in aerosol form. Named Clayspray, the range contains 60% clay combined with natural mineral water, and will be available in six varieties including three pure white clay masks and three red clay masks.

Clayspray’s clays are enriched with macromolecular hydrogels, which are said to retain up to 800 times their weight in water. They act as a carrier to enhance the firming and strengthening effects of the clay while conserving the properties and moisture of the product for months longer than traditional clay masks, which are prone to oxidation. According to Pharmaclay, the spray format also helps to enhance the clay’s own action and beneficial properties.

The clay is extracted from the Iberian peninsula and contains mineral rich deposits. Clayspray will be available online priced at £14 each. It will also extend into premium retailers in the UK in the coming months.

**Elemis moves into make-up**

UK spa and skin care brand Elemis is taking its first steps into the make-up category from May with the launch of its Pro-Radiance Illuminating Flash Balm. Described as a “new generation hybrid moisturiser”, the formula is said to deliver the right amount of sheen to give the skin a healthy glow.

It contains key actives including purple orchid for its moisturising benefits, noni extract for its radiance boosting properties and silk mica, which helps to soften skin imperfections with its light scattering qualities.

According to Elemis, the balm can be used in place of moisturiser or as a primer under foundation. It will be priced at £32 and available from selected UK department stores including John Lewis, Debenhams and Harvey Nichols.

**Cerruti adapts 1881 franchise with modern eau de cologne**

On 25 March, Italian perfume house Cerruti (Coty) launched its latest fragrance, 1881 Acqua Forte, which it called a modern “reinterpretation of eau de cologne”.

Created by perfumer Olivier Cresp of Firmenich, it features unusual ingredients such as cardamom, basil, cascalone, yuzu, palisander wood and cashmere wood.

“The first idea was to dare to try a formula that was simple and minimalist to better evoke a particular Mediterranean freshness,” said Cresp. “For that, we had to choose authentic elements, that were powerful and of good quality. Acqua Forte is really a perfume of contrasts: the initial fresh notes are counterbalanced by sensual base accords. At the same time, the classic ingredients are modernised with original twists such as cascalone and yuzu.”

The face for the publicity campaign for the fragrance is 39 year old French jazz guitarist Thomas Dutronc, famous for his hit song ‘Aime plus Paris. The green juice comes in a six-sided bottle topped off with a steel cap, intended to resemble a block of ice.

Cerruti 1881 Acqua Forte is now available from selected perfumeries in France at a price of €50 for a 75ml edt and €70 for the 125ml size.

Cerruti was founded in Italy in 1881 by the Cerruti family as a textile mill that manufactured luxury textiles. In 1957, the brand launched its first luxury ready-to-wear collection. The company made its first foray into fragrance in 1978 with Nino Cerruti for Men, followed by Nino Cerruti for Women around ten years later. The fragrance licence is currently held by Coty, which acquired it in 2005. Cerruti fragrances are still produced under the Cerruti and Cerruti 1881 brands.

**Börlind bumps up anti-ageing**

German beauty brand Anne-Marie Börlind has released two new anti-ageing duo-phase treatments based on macadamia and jojoba oils.

The first treatment, Soin Vital à la Rose, contains rosewater made from wild roses from the Kernan mountains in Iran, 100% vegetal bisabolol, to calm irritation, and extract of gromwell root, which protects against premature skin ageing, according to the company.

The second treatment, Energie Double à la Fleur d’Oranger, contains macadamia oil, maceration of carrot, blood orange extract to protect the skin, along with a vitamin complex of B5, C and E. Both products cost €18/20/50ml.
Clinique nails colour for sensitive skin market

Clinique has launched a new nail polish collection designed especially for those with sensitive skin. The collection, A Different Nail Enamel for Sensitive Skins, took Clinique six years to research and develop, according to the brand, and is formulated to minimise skin sensitivity and lessen eye irritation from touching or rubbing the eye area after a fresh manicure. It is also dermatologist tested, ophthalmologist tested and appropriate for sensitive skins and sensitive eyes.

The new formula comes in 12 shades including some of Clinique’s pre-existing hues, as well as nine other limited edition shades for summer 2013; there is also a new base and top coat to complement the range. The polishes retail for £12 and will be available exclusively online at www.clinique.co.uk from 25 April and in Debenhams from May.

Byredo goes back to nature with latest fine fragrance

Niche Swedish perfume brand Byredo is launching a new fine fragrance named Inflorescence. Designed, says the company, to “celebrate the awakening of nature and the beginning of spring”, it is based on strong floral accords, with head notes of rose and freesia, heart notes of muguet and magnolia and a base note of jasmine.

The fragrance was created by the company’s founder, Ben Gorham. The scent was launched last month at selected retailers worldwide and from the company’s website, www.byredo.com at a price of €140 for 100ml.

Byredo (which stands for By Redolence) was founded by Gorham in 2006 and its product line includes fine fragrance, home fragrance, body care products and accessories. All of its products are manufactured in Sweden and it currently sells into 45 countries.

Gorham, of mixed Canadian and Indian heritage, is a former professional basketball player and was born in Sweden. He did not train as a perfumer but later became interested in fragrance after a chance encounter with Swedish perfumer Pierre Wulff. He usually collaborates on Byredo’s fragrances in the role of ‘perfume creator’, with celebrated perfumers Olivia Giacobetti and Jérôme Epinette translating his ideas into compositions.

Patricia Mansfield-Devine, Rennes

YSL taps into eau legère trend

To celebrate the 30th birthday of its powerhouse fragrance Paris, Yves St Laurent Beauté is launching a new eau legère version of its 2003 flanker Paris Première Roses. It will be available as a limited edition for €75/125ml.

Created by perfumer Sophia Grojsman, who also created the original Paris scent in 1983 and has since worked on some of the flankers, this version has head notes of eglantine, violet and orange flower; heart notes of May rose, peony, ‘clochette verte’ and lily of the valley; and base notes of sandalwood and white musk.

The original Paris Première Roses was released for the 20th anniversary of Paris in 2003 and this is the third eau legère version.

There have now been 14 versions of Paris altogether, many in limited edition, including Paris Rose des Verges and Paris Rose des Bois.

Acqua di Parma in bloom

Acqua di Parma (LVMH) has launched a new fragrance collection for women, said to contain the “rare, noble and precious ingredients” found in Italian gardens.

The new line of eau de toilettes build on the brand’s existing fragrances; Iris, Magnolia and Gelsomino. Acqua Nobili Iris opens on violet, neroli and green notes, with iris pallida and orange blossom in the heart and soft musk with vanilla at the base.

Acqua Nobili Magnolia, meanwhile, combines mandarin, cedar and lemon, while Acqua Nobili Gelsomino combines notes of bergamot, lemon and mandarin with a heart of fresh florals. The fragrances are priced at €118 each.

Lola Gavarrón, Madrid

Institut Esthederm chases sun

French skin care company Institut Esthederm has added to its skin care line up with the new Intolerance Treatment Face Cream and Into Repair Sun Intolerance.

Specifically designed for sensitive skin or sun-sensitive skin, the new formulations are fragrance-free and feature high levels of desensitising actives, which improve product tolerance. As well as protecting the skin against all types of sunlight, Into Repair Sun Intolerance also works as an anti-wrinkle cream, according to the brand.

Both Intolerance Treatment Face Cream and Into Repair Sun Intolerance will be priced €45 and €64 respectively.

Chantecaille irons out skin care

Luxury beauty brand Chantecaille is adding a new Bamboo and Hibiscus Exfoliating Cream to its skin care offering. Described as a “dual action skin smoother”, the exfoliant contains bamboo spheres, which work to gently polish and exfoliate the skin while plant enzymes help to brighten the complexion.

The formula also contains a combination of acids such as hibiscus flower acid and glycolic acid, which both work to further the cream’s exfoliating effect. Priced at £73, the Exfoliating Cream launches in April.
**TOP TWEETS ON THE STREET**

**We track the latest beauty news in 140 characters**

**Beautyantedirt**
Prada’s new fragrance, Prada Candy L’eau launches with a Wes Anderson & Roman Coppola-directed mini-film http://bit.ly/101EWZv

**MarketingWeekEd**

**BBCBreaking**
Unemployment in eurozone hits record high of 12%, says statistics agency Eurostat http://bbc.in/17aw1sI

**LuxurySociety**
Will Google Glass make smartphones history? http://ow.ly/jz1SQ

**uk_music_news**
Adele in conflict over offers to endorse beauty brands: Star close to signing a deal tinyurl.com/arwgz6q

**WarcEditors**
Warc News: L’Oréal serves unique tastes in China; rejects “one size fits all” approach http://bit.ly/1IazPHE

**Unilever**
Unilever signs strategic research agreement with University of Nottingham http://bit.ly/YTPqnn

**HarvardBiz**
How P&G and Samsung encourage new thinking http://s.hbr.org/ZJhJeH

**WalpoleUK**
Chairman of @LVMH Bernard Arnault as Knight Commander of the Most Excellent Order of the British Empire

**PageSix**
Cate Blanchett seals $10 million Armani fragrance deal http://nyp.st/Zr70BW

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**Nars makes directorial debut**

Shiseido owned beauty brand Nars Cosmetics has released a new Satin Lip Pencil collection, which includes 13 shades ranging from light apricot to shocking pink. The formula is said to include pomegranate fruit extract, along with a complex of phospholipids, yeast extract, collagen prepeptides, hyaluronic acid and vitamin E to moisturise, soothe and deliver the appearance of fuller looking lips, according to the brand.

Similar to Nars’ Velvet Matte and Velvet Gloss lip colours, the Satin Lip Pencil combines the finish of a conventional lipstick with a crayon design for more convenient application.

To promote the new line, the brand has launched an interactive digital short film, which is designed to help customers find their ideal shade. The video features musician Sarah Ruba and fashion stylist Catherine Baba modelling the various shades in the range, which are priced at £17.50 each. Viewers can click through the film to watch Ruba and Baba model the entire line of lip colours to matching music and outfits. The film is now live via the Nars website.

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**Honest downloads baby app**

The Honest Company, a new lifestyle and beauty brand co-founded by Hollywood actress Jessica Alba, has released a new app named HonestBaby. Available to download from the App Store on iPhone, iPad and iPod touch, the app is said to enable parents to monitor their child’s development and growth. In addition to a comprehensive line up of bath and body products, The Honest Company also offers a popular baby care line, which includes items such as healing balm and travel wipes. The company offers a monthly subscription service that enables customers to sign up for ‘family essential bundles’ including a selection of products ranging from body oil and shampoo to laundry detergent, from $35.95 per month.

HonestBaby will allow users to track feedings, diaper changes, sleep, growth and doctor visits. Meanwhile, members of the company’s subscription service will also be able to use the app to manage their accounts, subscriptions and order products directly from their devices.

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**‘Smellovision’ becomes reality**

A research team at Japan’s Tokai University has developed a new display system that combines sights, smells and air currents for an enhanced experience while viewing the screen.

Tentatively called ‘Smellovision’, the system, now at a prototype stage, could represent an innovative new way to market products and could have applications such as digital displays, signboards and advertising, or any environment where it could be useful to blow fragrances toward viewers to give them the sensation of smelling what they see. The developers also envisage their system enhancing cinematic experiences by wafting odours that relate to events on screen.

The display consists of an array of LEDs spaced 2.5mm apart. The spaces between the LEDs are taken up by holes through which fragrance capsules are blown out toward the viewer using air blowers behind the screen. Although the fragrance capsules quickly vaporise, the molecules move as a group pushed towards the viewers.
Rethinking Russia: a new era

Leading global cosmetics producers are considering revising their strategy for development in the Russian cosmetics market over the next several years, amid the rapid growth of cosmetics sales in the country’s vast province as well as their stagnation in Moscow and St Petersburg, Russia’s largest cities, which so far account for up to 70% of total sales in the country.

According to DISCOVERY Research Group, Russia’s leading analyst agency in the field of cosmetics, over the past few years, cosmetics sales growth in the markets of Moscow and St Petersburg have significantly slowed down and currently do not exceed +1% a year. At the same time, sales growth in major provincial cities in the country – such as Ekaterinburg, Samara, Voronezh and a number of others – is estimated at about 15% per year.

Bearing this in mind, more and more global cosmetics manufacturers operating in the Russian market are considering more active expansion of the regional market.

For example, plans have already been announced by some of the world’s leading companies specialising in direct sales, including Avon and Oriflame, which are going to increase the number of their distributors in the regions despite the possible tightening of legislation in the field of direct sales of cosmetics and other products planned by the Russian government.

In the meantime, other producers have also announced their expansion plans. One of which is L’Oréal, which is considering expanding the production of its Russian Kaluga plant as well as increasing its regional sales.

According to the official representative of L’Oréal Russia, the company is also considering the possibility of more active cooperation with the country’s leading local beauty chains and, in particular, those that have developed regional networks.

Finally, Unilever, which strengthened its personal care portfolio in Russia in 2011 with the acquisition of beauty company Concern Kalina, is planning to accelerate its regional expansion. The company snapped up an 82% stake in Concern Kalina for RUB16.7bn (€390m), with the transaction valuing the Russian skin care company at RUB 21.5bn (€500m).

Concern Kalina is said to be Russia’s largest local personal care player, turning over roughly €303m per year. The company holds leading positions in the Russian market in skin and hair care and has a distribution network that spans Russia, the Ukraine and Kazakhstan. Unilever recently completed the expansion of Kalina’s St Petersburg cosmetics factory, investing more than €9m, and in the near future is considering expanding its flagship factory in Ekaterinburg (the largest city in Russia’s Urals region), operated by Kalina.

Eugene Gerden, Moscow