

- **PRODUCT SUCCESS STORY**



INNEOV - Collaboration Creating Success

In 2002, L'Oréal and Nestlé began a joint venture creating Innéov, a company established to formulate and market nutritional supplements for beauty benefits. Their first product was the highly successful Innéov Fermeté, designed to fight loss of skin density. It was an immediate hit capturing 3rd place in the market in France. Since then they have also released products targeted at anti-aging, hair, skin and sun preparation. Inneov believes nutricosmetics will play a significant role in the future of the cosmetics market.

Immediate Success

Upon the release of Innéov Fermeté, it immediately became one of the leaders in the anti-aging nutricosmetics segment in the nine European countries where it was introduced. Such spectacular expansion was notably due to an influx of new consumers to the market (more than half of purchases were made by first time buyers of beauty supplements).

Loyal Customers

A large part of Inneov's success has been from customer loyalty to the product. Internal customer studies have highlighted that after a 3 month treatment nearly 80% of the women using their products stated that they would re-purchase!

The Future Of Beauty Care

Nutricosmetics are used in conjunction with topically applied cosmetics and represent a new gesture in the daily beauty routine. For these reasons, Inneov predicts that oral cosmetics will contribute greatly to the development of the beauty cosmetics market all around the world, with 'beauty pills' expected to change the lives of women and men everywhere.

Thierry Trouvet

Technical Director, Inneov



Inneov's View

Inneov's expansion into the Nutricosmetic market, their partnering with Capsugel and their view of the future for this fast growing market.

1. Why have you decided to choose capsules as a delivery system?

Our choice has been mainly driven by active ingredients constraints. We need to ensure the stability of our products.

2. How does the capsule range fit with your existing products?

The large choice of capsule sizes or colours allows room for creativity, to develop new capsule shapes, which then complement our existing product range.

3. Why do you think nutricosmetic capsules will be successful?

Firstly for regulatory reasons, we need to add less excipients in products designed with hard capsules than with the ones in tablets. Secondly, I am confident that Capsugel will bring breakthrough innovation to the market.

4. How did you decide to partner with Capsugel? Did they approach you or did you approach them?

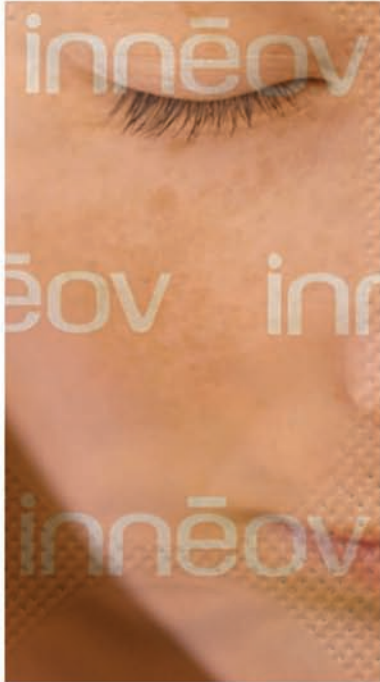
I would say both. On our side we were looking for a big player in capsule supply with strong international expertise who could understand the local regulations for supplements.

5. What attracted you to Capsugel?

For us, we were looking for product safety, new products development support and an international network. Capsugel met all those criteria.

6. What support have you received from Capsugel?

In regards to Marketing, we share information on consumer trends and on innovation, while on a technical level, Capsugel is also supporting new product development.



7. What scientific information concerning capsules do you want to communicate to your clients?

Firstly safety! Ingredients sourcing and production management insure a close follow-up of potential food contaminants, full traceability. Secondly, protection of active ingredients. Capsugel has a strong expertise to insure a good formula stability. Thirdly, active ingredient release. Capsules ensure timely release into the body.

8. Who have you identified as your primary target market?

The beauty pioneers, the ones looking for innovation. These are the women or men who consider their skin healthiness a top priority.

9. Do you have to differentiate your products for different countries?

Yes for sure. We consider specific consumer needs and habits. In addition, we adapt our products to local regulations.

10. What trends have you noticed in the market in the last years?

The requirement for more scientific evidence, formula stability and safety studies. However, this will create more consumer confidence in Nutricosmetic products.

11. How do you expect the market to develop in the coming years?

The market will grow. We believe that more women and men will begin using nutricosmetic products in the near future. These products meet perfectly consumers new expectations like "helping your body be healthy, as skin and hair beauty come from within."