

PRESS PACK

Who are Swallowfield?

Swallowfield, an AIM-listed company, is a full service provider for global and household brands operating in the cosmetics, personal care and household goods marketplace. Its services include market analysis; design, formulation and testing of products; packaging design and sourcing; and distribution and stock management.

The products that the company produces for its clients are likely to be found in every home in the UK.

Company dimensions and key facts:

- circa £50m turnover
- approx 550 staff across the business
- product segmentation: aerosols 53% (30% aerosols, 23% BIC/BOC); cosmetics (20%); liquids (19%); gifts (6%); other (2%)
- 3 manufacturing plants - Wellington and Bideford in the UK, and as Tabor in the Czech Republic
- 4 warehouses in the UK for chemicals, components and finished goods
- 2 Research & Development Labs in the UK
- Strategic investment in Chinese manufacturer

UK Operations

Swallowfield's headquarters are located in Wellington in Somerset. Aerosol and toiletry manufacture is based at Wellington and colour cosmetic production is situated at Bideford, Devon. The third site at Tabor in Czech Republic fills, packages and assembles products across the toiletry and cosmetics range. The company offers a wide range of manufacturing, production, warehousing and technical capabilities from its three main manufacturing sites..

International Operations

In 2004, Swallowfield opened its Representative Office in Shanghai, China. Its main functions comprise the sourcing of packaging and finished goods from South East Asia, which supports and enhances the contract manufacturing services provided from Swallowfield's UK production centres. The office in Shanghai has allowed the Company to form close business partnerships with a select group of suppliers, and gives us greater control of quality and delivery from this part of the world.

The company has also signed heads of terms on a joint agreement with Jahwa, one of China's largest players in the toiletries sector. Under the joint venture Swallowfield will

provide its own intellectual property, including formulations and quality systems, in return for exclusive access to European markets. In addition to creating potential new sales opportunities in Europe, the JV gives the companies and its customers' even greater assurance over the quality and standards of products, which are sourced by Swallowfield from China.

In early 2008, Swallowfield is opening a new production facility in Tabor in the Czech Republic. The operation, which is designed to provide significant cost efficiencies, will fill, finish and package colour cosmetics, fragrances and other liquid products the company produces for its clients. The 5,000 sq metre facility also undertakeS gift packaging of toiletry and cosmetic products.

Service range

As a full service provider for companies operating in the cosmetics, personal care and household goods marketplace, Swallowfield offers the following solutions:

- Research and development (market analysis, formulation development, testing and legislation);
- Project management (critical path analysis, market data and analysis);
- Creative and design (artwork and design, mock ups, global packaging sourcing, customer specific tooling);
- Quality assurance;
- Manufacturing (product sourcing, planning and production);
- Logistics (distribution and stock management).

History

Swallowfield began life in 1876 in Wellington, Somerset, as Walter Gregory and Co. Pharmacy. Over the years, this long-established company has remained at the forefront of cosmetics and toiletry production solutions, as indicated by the following achievements and milestones:

1950	Launched the first consumer aerosol in the UK
1962	Manufactured the first cosmetic pencil in the UK
1970	Introduced the first 'own label' antiperspirants to the UK
1970s	Became the first aerosol company to eliminate the use of CFC gases
1986	Floated on the London Stock Exchange
1989	Expanded further into the cosmetics sector with the purchase of Cosmetics Plus
1990s	Launched full colour ranges and liquid fill
2004	Opened sourcing office in Shanghai, China
2007	Signed heads of agreement for a joint venture with Jahwa, one of China's largest players in the toiletries sector.
2008	Opened filling and finishing facility in Tabor, Czech Republic

The Marketplace

According to a Market Report for 2006 produced by Colipa, the European trade Association representing the interests of the cosmetic, toiletry and perfumery industry:

- Germany had the highest market volume in Euros followed by France and then the UK;
- the European cosmetics industry continues to contribute to the overall growth in Europe with an annual turnover of over 65bn Euros;
- the European cosmetics industry remains a world market leader and grew 4.2% in 2006;
- skincare, toiletries and hair products continued to dominate the market in 2006;
- in the longer term the Central and Eastern European markets can expect a positive development.