



MARKET REPORT - UPDATE GUM ACACIA February 2005

The end of January is always a good period to obtain reliable information on the gum market and to get the trend of the new season.

Following last year's problems and after several months of scarcity for the Senegal grade, the first information we have received confirms that the crop is normal. The most adequate word to quantify the new crop would be average. Taking this into consideration, we can already predict that the amount of gum collected will be sufficient to fulfil the first market need, without there being any excess of material.

The immediate consequence is a steady tension on prices. Demand today is so intense and high that any price decrease is unlikely to occur soon and maybe not before next fall. Although it may be contradictory to some announcements made by certain players, for CNI today the situation is clear : there will not be any significant price decrease soon.

In any case, all the signals received from the producing countries are mainly positive and we do not foresee any shortage. Of course, and as usual, we are making every effort to moderate the market and to maintain pressure to lower the current pricing. In addition to this, we are continually extending our range of new products, exclusively based on gum acacia with very strong economical advantages.

EFICACIA® is the right technical and cost effective answer for all emulsion systems.

FIBREGUM B® is the perfect and economical product for any type of dietary fibre fortification.

ENCAPCIA® is the perfect technical and economical product for any type of encapsulation.

Our commitment is to continue to promote the success of our non-modified, natural, renewable and available products for the benefit of our customers.