FINE CHOCOLATES
A. KORKUNOV

www.korkunov.ru

A.Korkunov is a successful Russian brand in the confectionery industry. The Odintsovskaya Confectionery Factory (OCF), founded by businessman Andrei Korkunov, has been producing chocolate products under the A.Korkunov trademark since September 1999. Today, the A.Korkunov brand holds 16% of the boxed chocolates market in value terms. (Source: Biznes Analitika). A.Korkunov products are represented in the premium and super-premium segments. They are sold throughout Russia and the CIS, as well as in the United States, Germany, Lithuania and China. The factory's production and sales are increasing by 20–30% per year and in 2007 reached $130 million. The company employs more than 900 people.

Values of the Brand

A.Korkunov is the strongest Russian brand in the confectionery industry. Other countries have long had a tradition of giving candies their own names, but in today's Russia it is a new phenomenon. Focusing on exclusive quality, Andrei Korkunov puts his signature on them as a guarantee and symbol of distinction.

It is thought that the producer, by giving a product his last name, thereby vouches for its quality. However, Andrei Korkunov does not stop there. He personally takes part in the development of the candy tastes and package design.

The A.Korkunov brand personifies the renaissance of the best traditions in the field of confectionery products made in Russia. The values of the A.Korkunov brand are pride in one's country and the drive to produce chocolate that is competitive on the world market.

The taste of the candies, along with the style and design of the packaging appear at first glance to be familiar since childhood and instill pride for the preservation of wholesome traditions, which creates a sense of participation in the world of the splendid and lofty. This is precisely why A.Korkunov candies have become the best gift and an integral part of the celebratory table.

Innovations & Promotion

Fifty types of chocolate products are produced under the A.Korkunov brand. They include: 'Kriollo', 'Arriero', 'Domingo', 'Puerrto', 'Monti', 'Demonte', and 'Portobelo'. These are all names of historical places in various countries where cocoa beans are grown. In late 2005 the factory began to produce four types of chocolate bars. In the spring of 2006, the first A.Korkunov white chocolate bars appeared on store shelves, and in the summer, three new types of candies containing alcohol appeared. The novelty this year is 'Valenso' candies covered in dark chocolate with wafer filling, chocolate-and-peanut paste and crushed hazelnut.

The company has always sought direct contacts with consumers in its promotion

efforts. In the early years, the company's main promotion methods were sponsorship and promotional campaigns. In the late 1990s, Russians had not yet begun to be spoiled by imported chocolate, and Russian chocolate from Soviet times was considered the standard. A.Korkunov candies, prepared from high-quality ingredients and made in the best European traditions, became a sensation. The Russian name indicated on the packaging instilled trust and the desire to try the new chocolate, and the taste made the choice obvious.

In 2004, the A.Korkunov product line was expanded to include the super premium

A.Korkunov products are prominent on the Russian market. The Biznes Analitika research company says that A.Korkunov's market share in the segment of premium boxed chocolate candies (in the price segment of RUB 390 per kg or more) is 56,8%. In the segment of chocolate bars and boxed chocolate candies, according to Biznes Analitika, A.Korkunov holds 16% of the market (in value terms).

OCF is capable of producing 24,000 metric tons of its products per year. The company's annual production and sales are increasing by 20–30% per year. In 2007 the factory sold 12,500 metric tons of products

strongest on the Russian market, and the only Russian company on the list (the other nine were foreign brands). In July 2006, the International Academy of the Brand gave Andrei Korkunov an award for has personal contribution to the creation of one of the best Russian brands. In the same year, The Odintsovskaya Confectionery Factory received the title *Official Supplier to the Kremlin*. In January 2007 the A.Korkunov brand received the status of *Well-Known Brand*.

A.Korkunov products have been awarded more than 25 gold and silver awards in Russia and abroad, including at the Prodexpo
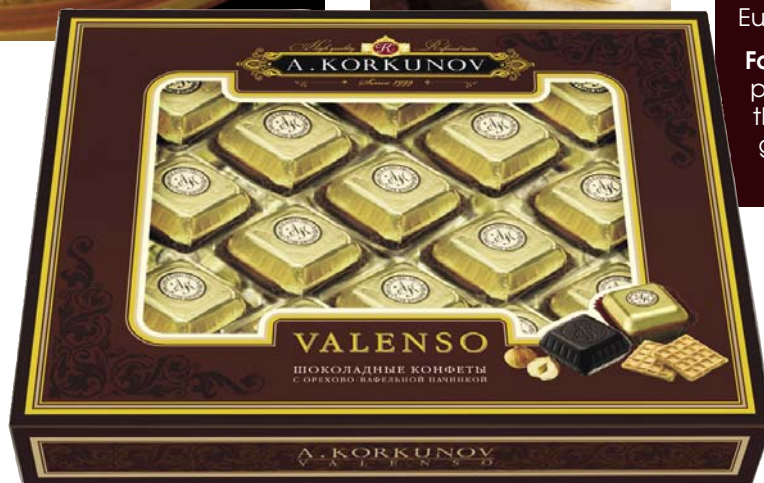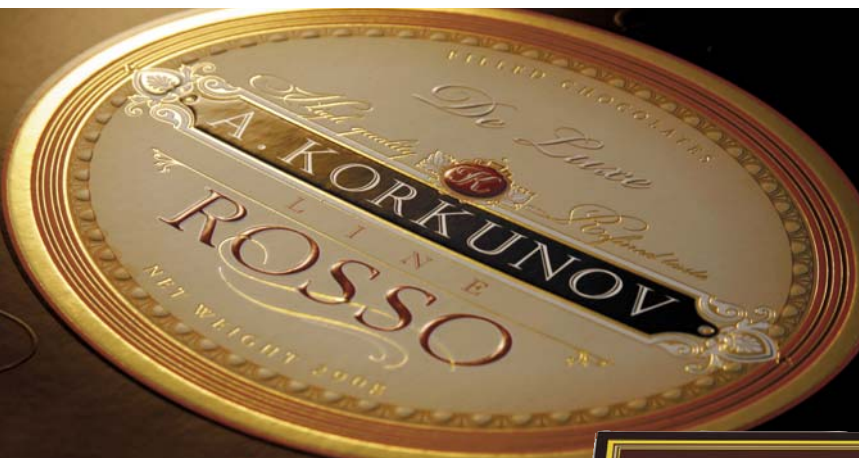
segment. These exclusive candies can only be purchased at the A.Korkunov boutique in Moscow (Bolshaya Lubyanka, bldg. 13/16). The shop's interior is laid out in the style of Russian modern by the well-known fashion historian Alexander Vasiliev.

Throughout its history, the brand has always been supported by restraint and unobtrusive advertising. The term «Refined Taste» was used in the company's first commercial, and 'Pleasure as a Gift' in its second. The goal of the new advertising campaign, which is being conducted under the slogan «Chocolate Deluxe», emphasizes refinement and the inimitability of A.Korkunov products.

Economy & Finance
The Russian chocolate products market has been growing by 5–7% every year. According to analytical data from Euromonitor International, it was worth more than $4 billion in 2007.

Things you didn't know about
A.Korkunov

Andrei Korkunov, founder of the A.Korkunov brand, personally takes part in the development of the tastes of his company's chocolate products and the design of the packaging.

For production of filling, A.Korkunov uses only hazelnuts from the Italian province of Piedmont.

The Odintsovskaya factory is one of the most modern candy-making facilities in Europe.

For taste, quality and appearance of products under the A.Korkunov brand the factory has received more than 20 gold and silver awards in Russia and abroad.

and World Food Moscow exhibitions, as well as at the *Best Product* international contest. In 2005, A.Korkunov handmade chocolates with the taste of green tea with jasmine took first place in the 'Filled Chocolate Candies' category at the annual Chocolate Expo in Paris. It was the first time that Russian chocolate had been awarded such high international praise.

What lies ahead? OCF continues to modernize its production and launch new equipment. Of the €5 million invested in 2006 in the company's expansion, €3 million was directed towards the installation of the newest line, while the rest of it was spent on improving current systems, creating a warehouse complex and producing chocolate mass. Of course, the factory will continue to delight consumers with its refined novelties from A.Korkunov.

worth $130 million, and exports amounted to 3% of the company's turnover.

Achievements & Prospects
OCF is the leader of Russia's premium chocolate segment. Even in the company's early years, it held almost half of the confectionery sector of the Russian market. According to research by the international agency Young & Rubicam, in 2005 the A.Korkunov brand was one of the 10

1997	1999	2004	2004	2005	2006	2007
The construction of the confectionery factory, with Europe's most modern equipment, begins in the Moscow suburb of Odintsovo	The Odintsovskaya factory releases its first batch of candies under the A.Korkunov brand. OCF's production capacity is 8,000 metric tons of chocolate products per year	New Italian equipment is launched, making it possible to increase production capacity to 24,000 metric tons per year	The A.Korkunov boutique, featuring handmade super premium class candies, opens in Moscow at Bolshaya Lubyanka, bldg. 13/16	A brand of A.Korkunov chocolates takes first place at the Chocolate Expo in Paris. It is the first time that a Russian chocolate candy brand receives such high praise	Andrei Korkunov receives an award for creating one of the best Russian brands and for has personal contribution to the development of the industry. The Odintsovskaya Confectionery Factory receives the title *Official Supplier to the Kremlin*	The A.Korkunov brand receives the status of *Well-Known Brand*