



Escape the daily grind.

THE MARKET

The Australian food service hot drinks (hot drinks consumed out of home) market is currently valued at about \$1.8 billion, of which coffee is estimated to represent 82 per cent or \$1.45 billion. Branded coffee chain stores are the fastest growing segment of the food service market and in 2002 represented 6.4 per cent of this market by volume. Trends suggest that the food service market will continue to increase in future as socialising and entertainment patterns put more Australians in cafes and out of the kitchen (www.aasca.com, October 2002).

Gloria Jean's Coffees makes a considerable contribution to this market, roasting and selling over 400 tonnes of coffee every year. This means that Gloria Jean's Coffees customers consume over 70 million cups of coffee per year.

ACHIEVEMENTS

Gloria Jean's Coffees is the fastest growing branded specialty coffee store chain in Australia. Since opening the first store in Sydney in 1996, Gloria Jean's Coffees has added more than 185 stores in every state and territory.

In 2003, Gloria Jean's Coffees annual turnover was \$85 million and this provided jobs for over 3,500 Australians.

Local success was internationally acclaimed in 2003 when Gloria Jean's Coffees Australia opened the most new stores of any country in the Gloria Jean's Coffees international market.

Gloria Jean's Coffees in Australia is committed to supporting the economy by ensuring most of the key products and ingredients are manufactured locally. The ultimate aim is to ensure that all products the stores use are manufactured in Australia.



The success of the company can be attributed to a commitment to always use premium ingredients for all products, provide ongoing training and operational support to franchisees and constantly educate the Australian marketplace about the specialty coffee industry. Gloria Jean's Coffees also has a strong dedication to research, development and innovation.

HISTORY

In 1995, Nabi Saleh, a businessman internationally regarded for his coffee knowledge and expertise, and Peter Irvine, former Managing Director of

advertising agency DDB Needham, visited the United States to experience first hand the Gloria Jean's Coffees brand. Nabi and Peter identified the opportunity for this unique brand in Australia and saw the chance to provide Australian consumers with high quality coffee and consistent service in accessible locations.

Together they established Jireh International Pty Ltd, the company that now holds the right to franchise Gloria Jean's Coffees in Australia.

Nabi's expertise in the coffee and tea industries combined with Peter's background in franchising, marketing and advertising created the perfect recipe for a successful partnership.

In late 1996, Jireh International Pty Ltd opened the first Gloria Jean's Coffees store in Miranda, Sydney. Two weeks later another opened in Eastgardens, also in Sydney. These stores were set up to thoroughly test the concept in the Australian market.

In early 1998, Gloria Jean's Coffees franchised its first store and within six years had opened 185 stores - all locally owned and operated by more than 100 franchisees. In 2003, the company opened a franchise in Darwin, meaning that the brand was now established in every state and territory.

The continued growth of Gloria Jean's Coffees is a result of an effective franchising model, stable management practices and a committed and enthusiastic team who are passionate about coffee and satisfying customers.

Jireh International Pty Ltd is a wholly Australian owned company. Nabi Saleh is the Chairman and Peter Irvine is the Managing Director.

THE PRODUCT

Gloria Jean's Coffees offers consumers a complete



coffee experience. Retail stores are located in iconic metropolitan areas, shopping centres, transport hubs and entertainment districts.

Ranging from sit-down cafes to streetside coffee bars, Gloria Jean's Coffees stores offer consumers a wide range of more than 150 products including hot and cold blended espresso drinks, fresh premium coffee beans and teas, pastries, and coffee related merchandise.

Gloria Jean's Coffees uses only the finest quality selected top tier Arabica coffee beans which are meticulously roasted to exact specifications ensuring customers receive the same delicious cup every time. The range of premium and specialty coffee beans is available directly to customers through Gloria Jean's Coffees stores.

Gloria Jean's Coffees also produces a range of high-quality tea products offering customers an array of flavours, herbals, and fruit infusions from the world's top tea growing regions.

Each month a special promotional drink is featured. A recent partnership between Gloria Jean's Coffees and another iconic Australian brand, Arnott's, saw the introduction of the Arnott's Tim TamTM Gourmet Iced Chocolate drink.

RECENT DEVELOPMENTS

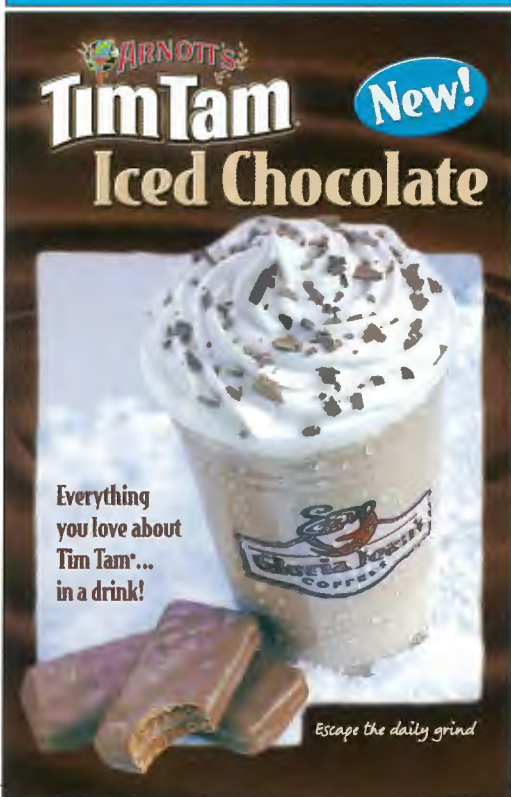
The expansion of Gloria Jean's Coffees in 2003 has also seen two new stores open in New Zealand. The New Zealand coffee market is growing at a similar rate to Australia's and a number of additional Gloria Jean's Coffees stores are expected to open there this year.

Gloria Jean's Coffees hosted its inaugural convention in Sydney in 2003 which was a true indication of the growth in stores and franchisee numbers. The landmark event attracted over 250 Australian and international Gloria Jean's Coffees franchisees and industry experts. It exposed participants to the latest industry trends, product training, and merchandising and skill development workshops in local store marketing.

Gloria Jean's Coffees market leadership was further exemplified by the partnership in 2003 with Optus and the installation of 'Optus Wireless Connect' WiFi services in stores in Sydney, Newcastle, Melbourne, Brisbane, Adelaide and Perth. This service enables customers to access high-speed internet service while enjoying their coffee.

Gloria Jean's Coffees also extended its customer product offerings in 2003 when it launched a premium tea range including 23 specialty tea varieties sourced from around the world.

Gloria Jean's Coffees is committed to providing community support at a corporate and franchise level. In 2003, it announced a major community partnership with Mercy Australia.



Mercy Australia is a charity established in 2000 to help women who are dealing with eating disorders, unplanned pregnancies, abuse and other life controlling issues. The unique program is designed for young women aged 16-28 years who participate in a 6 to 12 month residential-based program at a Mercy home. Gloria Jean's Coffees will aim to raise at least \$1 million for Mercy Australia over the next two years.

PROMOTION

Gloria Jean's Coffees invests significantly in both above and below the line marketing. In 2002, the company launched a new brand position *Escape the Daily Grind*[®] supported with national TV, radio, print and outdoor advertising.

Research has shown that the campaign

has contributed significantly to the differentiation of the Gloria Jean's Coffees brand from other branded specialty coffee store chains.

Gloria Jean's Coffees maintains an ongoing consumer public relations program promoting new products, promotions, store openings and company news. Over the past 12 months Gloria Jean's Coffees has been profiled in a number of women's and lifestyle magazines and has also been featured in major metropolitan newspapers.

Gloria Jean's Coffees is regularly asked by the media for expert comment on the Australian specialty coffee industry.

All franchisees are trained in local store marketing and are provided with ongoing store marketing support and resources.



BRAND VALUES

Gloria Jean's Coffees is a community-minded brand in every sense. The stores provide an 'oasis' for the coffee lover - an escape from the 'daily grind' where customers can feel welcome and comfortable, meet friends or just soak up the unique coffee store atmosphere.

The company is driven by the desire to be the most loved and respected coffee house in Australia and to be keenly regarded by consumers for its quality coffee, coffee know-how, professional, friendly approach and relaxed store atmosphere.

As Australia's leading branded specialty coffee store chain, Gloria Jean's Coffees is committed to building a unified family, consistently serving the highest quality coffee and providing outstanding service in a vibrant store atmosphere.

THINGS YOU DIDN'T KNOW ABOUT GLORIA JEAN'S COFFEES

- Gloria Jean's Coffees is Australian owned and operated.
- Gloria Jean's Coffees uses only top tier 100 per cent Arabica coffee.
- There are currently more than 185 Gloria Jean's Coffee stores in every state and territory.
- Gloria Jean's Coffees is the largest branded specialty coffee store chain in Australia.
- There are more Gloria Jean's Coffees stores in Australia than anywhere else in the world.
- In 2003 Gloria Jean's Coffees sold over 70 million cups of coffee and roasted and sold over 400 tonnes of coffee.