



MARTELL

COGNAC

Market

If cognac is the finest brandy in the world, then Martell's name - with its undisputed heritage, quality, expertise, and style - is a guarantee for one of the finest cognacs in the world. The making of a globally leading cognac such as Martell is not only a labour of love, it also demands the finest individual ingredients which make sure that its quality remains ever lasting and unsurpassable. Martell is unique because of the unique combination of grapes, the distillation process, hand made and polished "Tronçais" oak barrels, the aging process, and because of the skilled Cellar Masters.

Europe and the USA are the main markets for Martell. Those markets have the highest consumption of the V.S. quality cognac (58%). In Asia and on the travel retail (duty free shops) markets the main brand are the V.S.O.P. and other superior quality brands (33%). Extra Old (XO) has a 7% market share, and the others combined have 2%. Top 10 markets for Martell are: the UK, the USA, travel retail, China, Mexico, Malaysia, Italy, Singapore, Hong Kong, and Japan.

Martell has a 7% share in the USA, 13% in Europe, and 21% of the Asian market. In travel retail the share is 19%, and on other markets it is 6%. Martell is the number three cognac on the global market, and it is number two in Europe. The USA is traditionally the number one cognac market in the world, and Martell is ranked fourth on it. The sale of Martell in the USA consists of 77% V.S., 21% V.S.O.P., 2% XO, and 1% others. Asia is an important and an expanding market where V.S.O.P., Cordon Bleu, and superior cognacs are in high regard. China is the number four market of Martell in the world with a 1% share of V.S., 78% of V.S.O.P., 18% of XO, and 2% of other superior brands. The UK is the number one market in the world and the third global market of cognac. V.S. takes up 78%, V.S.O.P. 18%, XO 2%, and other superior brands 1%. Martell is the number three cognac on the travel retail market which makes up approximately 16% of the total sales numbers for Martell. According to quality, V.S. takes up 22%, V.S.O.P. 53%, XO 19%, and other superior brands 6% of Martell's market share in this sector.

Achievements

Martell is the first maker of cognac who had its quality recognized with the ISO 9001 quality certificate.

Martell's recipe is a well kept secret and it is a result of hundreds of years of skill and dedication by the Cellar Masters, who proudly and with pleasure pass on their heritage from the years of dedicated work. Martell's oldest and most exclusive products use the eaux-de-vie from Paradiso, a secret and a legendary cellar from the heart of Martell which contains rare eaux-de-vie that date back to 1830.

Martell's flavour is a result of a unique mixture of only the best wines from four supreme controlled regions



and by using eaux-de-vie from the Borderis region which is the least known for cognac. Besides that, the flavour is special due to Martell's specific process of distilling pure wine without dregs in charentais cauldrons. After the first double distilling process, two parts are completely mixed back with pure wine for a new process. The third part ripens in large barrels and becomes Martell cognac. For a unique aging process, fine Troncois oak barrels are used.

History

Jean Martell was born in 1694 in Jersey on the Channel Islands and by 1715 he founded a company for cognac production. Already by 1721, Martell exported over 200,000 litres of cognac to the United Kingdom. Jean Martell died in 1753, and the original headquarters at Gatebourse became the centre of a successful and respected business which Jean's sons, Jean and Frederic, took over. In 1868, Martell became international and started exporting cognac into China, Japan, Hong Kong, and in 1912 Edouard Martell created a first class Cordon Bleu cognac of unique taste, which became a timeless classic and a reference point for cognac. It



was showcased at the renovated Hotel de Paris in Monaco.

On May 27th, 1936 Martell received the royal seal of approval as a drink for the ambassadors aboard the Queen Mary, and in 1957 it was served at a reception of the French

President in honour of Queen Elizabeth the Second at Chateau de la Celle Saint-Cloud and the Louvre museum.

In 1979, Martell Cordon Bleu appears in the classic movie "Apocalypse Now," and on November 5th, 1986 Martell became the official drink aboard the historic Orient Express. 150 high dignitaries enjoyed it during the travel. In 1992, Martell became the main sponsor of the Grand National Equestrian Tournament.

Product

The leading brand of Martell is the Cordon Bleu, with unique style and it is considered a real gem because of its extraordinary taste and elegant character.

Martell V.S. (Very Special) was first produced 150 years ago under the name 3 stars (xxx) and it enjoys a global reputation. It is well balanced, with a fruity and moderately mild fresh taste. Martell V.S.O.P. Medaillon (Very Superior Old Pale) is gentle and light, and it is perfect as a welcome drink at any event, and because of its full taste it is ideal for mixing. The sticker has a gold medaillon engraved in the portrait of Louis XIV, because Martell was founded during the last year of his reign (1715).

N'Oblige is a superior cognac, with stylish structure and balance, designed for those who appreciate the savoir-faire of this brand. Its innovative spirit and non-imposing elegance are the trademarks of a real cognac. The modern design of the bottle is an aesthetic combination of innovation and elegance.

Cordon Bleu became a legend when Edouard

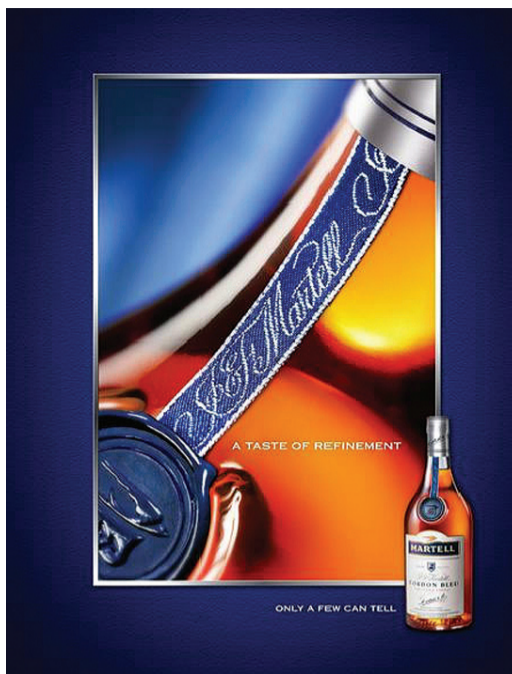


Martell made it in 1912. Its flavour is greatly marked by the eaux-de-vie from the Borderies region and its authentic bottle, which never changed, is what makes it a classic among cognacs.

It was and still is the purest expression of Martell's creative sense, search for excellence, and the wish to be a leader and not a follower in the cognac business. It was introduced in a discrete and a minimalist bottle, thus making Cordon Bleu a visual and a conceptual standout which glows with authenticity, status, a sense of power, and with simple elegance.

Martell XO Supreme (Extra Old) is an unforgettable combination from the four main regions of cognac. It has a powerful and a lasting, unique flavour. It is a cognac rich with character and perfect for special occasions.

Creation is the reinterpretation of the Extra cognac category created in the 19th century, and it is a unique mixture which embodies the true essence and creativity of the Martell style. Its luxurious packaging and



architectural design are a perfect expression of an individual who wants to leave a mark in history in order to create a world of inspiration and sophistication. It unites fresh eaux-de-vie fruit scent from Borderies and walnut spices of a long ripened eaux-de-vie from the Grande Champagne region. L'Or is the result of alchemy with gold cognacs. Due to the mixture of eaux-de-vie mainly from the Grande Champagne region, this cognac has a specific intensity. Some eaux-de-vie were taken from the Le Paradis cellars where they aged in oak barrels for over 60 years. Martell L'Or was introduced in 1992. It is stored in an elegant handmade bottle with a gold covered top and cork. The refined gold case designed as a jewellery box is an exquisite combination of gold and blue, the colours of French nobility.

L'Art de Martell was introduced in 1997 in limited amounts to honour the merge of Hong Kong with China. The bottle was designed by Daum, a French glazier. There are only 1997 such special and unique bottles that combine cognac and modern art in the world.

In the travel retail segment, Martell VS Selection Exclusive is a combination of eaux-de-vie from the four best wine areas in the Cognac region. They create a delicate and refined mix with a flowery scent.

Martell V.S.O.P. Reserve de Crus is an exclusive from the retail, and it is a mixture from the best four areas in the Cognac region along with the best eaux-de-vie from the Borderies region. This special cognac and its amber colour show have a hint of gold, with a fine and light flowery scent.

Artys is an excellent light and stylish mixture for any occasion, Odys is a refined and a complex cognac of excellent taste, while Cohiba is full, fresh, and powerful. It is powerful and rich so that it can be enjoyed with Cohiba cigars.

Recent developments

The cognac market in Croatia has an approximate volume of 5,000 nine-litre cartons and it has a 5% growth rate since 2005. Martell has a 29% share in the retail segment and in the HORECA (hotels, restaurants, and café bars) segment it is the leader with approximately 50% of the segment share. According to newest information, Martell is experiencing a 48% growth. Croatia had the honour

of hosting the Martell Brand Ambassador Thierry Giraud who presented the Martell portfolio in front of 60 guests and pointed out its specific origin, production, taste, and the proper way to consume it.

Promotion

"Only a few can tell" in Asia, "Rise Above" in the USA, and "World of choice" in Russia, Japan, and Mexico are some of the campaigns that Martell started in 2005, as well as the "Let the conversation flow" campaign in Great Britain.

Various approaches are developed for individual key markets. All approaches and messages are in line with the unique essence of the Martell brand: an inspired and an independent spirit.

Communication topics for public relations are also defined in accordance with the essence of Martell. They present Martell appropriately and link it to travel, gastronomy, art, and celebrations.

Brand values

Martell's values reflect its development and guide its future progress. Independent spirit, innovative and creative knowledge, and life's joys and pleasures. The free spirit represents the entrepreneurial personality of Jean Martell and of those who followed him. The ultimate creation of Cordon Bleu in 1912 is a reflection of innovation and creativity. Enjoying life is presented through search for the perfect tasting cognac and the way of life with cognac around the world.

Martell is a luxurious brand, with inner strength, honesty, imagination, true elegance, and refinement, or simply put, it is "inspired and independent."

www.martell.com



THINGS YOU DIDN'T KNOW ABOUT...

Martell

- The simplest way to explain the difference between cognac and brandy is: "All cognac is brandy, but not all brandy is cognac."
- Luxury brands are the ones that, over time, balance their heritage with a superior product through constant research of innovative and emotional areas.
- The British have been in love with cognac for centuries, and the United Kingdom is one of the biggest export markets for the cognac industry.
- In 1936 Cordon Bleu was served on the maiden voyage of the Queen Mary, the biggest trans-Atlantic ship ever built.
- All cognac comes from the small region called Charente near Bordeaux in France, and it is defined by a special law on controlled heritage ("Appellation d'Origine Contrôlée").
- Martell is made out of Ugni Blanc grapes, which are carefully selected in the 4 best regions of controlled growth: Borderies, Grande Champagne, Petite Champagne, and Fins Bois.
- In 1971, Emperor Hirohito was given a bottle of Cordon Bleu on his way back to Japan from France.

Un hombre es definido por la elección que toma.

Saber elegir no es fácil, el conocimiento y la experiencia son esenciales. Sólo los que saben pueden hacerlo correctamente, los mismos que han elegido Martell desde 1715.

EVITA EL EXCESO.

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