



THE MARKET

Everyone has fond memories of growing up with cordial. Australian cordial consumption in 2003 was 6.8 litres per capita. This translates to every Australian drinking more than 27 litres of diluted cordial each year. More than 75 per cent of households regularly purchase cordial, which is viewed as refreshment to be enjoyed mostly in the afternoon or after school.

Cordial is a product that is primarily consumed by families with two or more children aged 5-12 years. Cottee's is Australia's clear market leader in the \$191 million Cordial market, and has demonstrated the value of having a strong brand name and market position by the 2 per cent growth it experienced in 2003.

The jam industry is valued at \$115 million, and Cottee's is a major player. While the category continues to be loved especially by older target markets, around 80 per cent of households buy jam at least once a year.

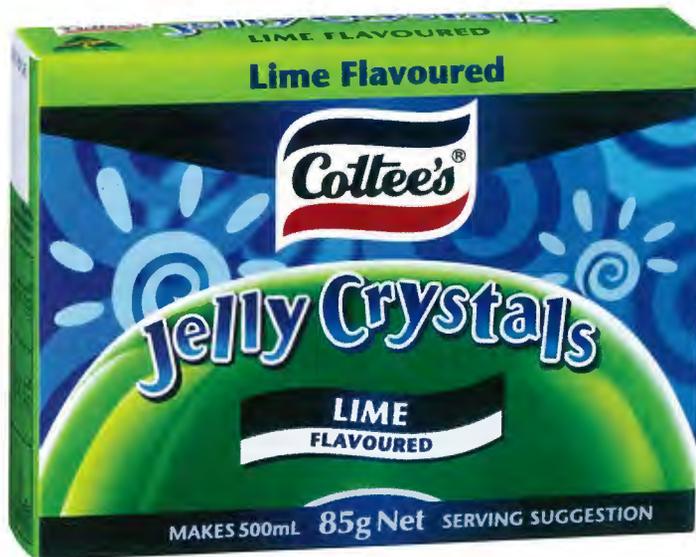
The \$37.4 million topping category is enjoying both value and volume growth, and together Cottee's and Cadbury lead the category. Topping is complementary to Ice Cream and bought by the average household every 12 weeks as a pantry filler. This mature category is driven by innovation and the launch of new products.

Jelly is a fun dessert that is simple to make and easy to always have on hand. In 2003 Cottee's experienced the largest market growth in value terms of all competitors in this \$23 million category. Cottee's was able to achieve this growth by capitalising on successful promotional strategies.

ACHIEVEMENTS

Since being acquired by Cadbury Schweppes in 1984, Cottee's has grown to become one of Australia's top 25 food umbrella brands (AC Nielson).

The success of the Cottee's brand is based on a focus on the quality of each product, achieved by improving the fruit credentials of jam, jellies and cordials.



Cottee's massive participation in the cordial category in Australia is largely credited to the unique Coola flavoured cordial that firmly occupies the top spot as 'Australia's favourite' with sales of more than 64 million litres every year. In addition, Cottee's is market leader in toppings and holds a strong position in both the jam and jelly categories.



HISTORY

Cottee's began making quality food products in Australia in 1910. To this day the Cottee's brand remains an Australian icon and the range can be found in almost every supermarket. The company was started by Spencer Cottee, a dairyman. When faced with hard times in dairying in the early 1900s, he began to grow and process passionfruit. Along the way he developed the now famous 'Passiona' soft drink brand. The instant success of Passiona prompted Spencer to expand the business Australia-wide and create a host of other beverages under the Cottee's brand. So came the birth of Cottee's fruit mixes and cordial products in the 1920s.

A growing demand for Cottee's products led to the establishment of Cottee's second factory in Leichhardt (Sydney), which paved the way for Spencer Cottee to launch into yet more categories of jams, jellies and even peanut butter.

During WWII, Cottee's was commissioned to produce jams, juices and concentrates for the army and some of these contracts are still in place today. After the war the company diversified further into soft drinks, toppings and frozen foods. Increasing demand for pre-prepared desserts in the 1950s inspired Cottee's to develop its innovative instant pudding in 1958.

In 1970, General Foods Corp USA and Cottee's Ltd merged to form Cottee's General Foods Limited.

Cadbury Schweppes Pty Ltd then acquired Cottee's Foods in 1984, undertaking a massive expansion of business and facilities at Liverpool, NSW, with new product development and the acquisition of a number of major food brands. Cottee's now exports its products to numerous countries around the world including New Zealand, the USA, Egypt, Chile, India and Sri Lanka as well as South East Asia and the Pacific Islands. The current export range includes jams and marmalades, fruit cordials, fruit and other flavoured toppings, maple syrup,

hazelnut spread, jelly crystals and instant puddings.

The major relaunch of the Cottee's brand in 2002 has ensured Cottee's success as one of Australia's favourite family brands. To ensure Cottee's continued movement with the times a new logo, new pack designs and a new advertising campaign were launched. The new-look range has greater consistency, a more contemporary image and improved shelf stand-out.

THE PRODUCT

There are a number of contributing reasons why Cottee's is a leader in Australia's food industry. The most important is the quality of the products the company manufactures. The Cottee's range of products is produced at state-of-the-art manufacturing facilities at Liverpool, NSW and Tullamarine, Victoria.

Cottee's has an extensive range of products in both retail and food service pack sizes. The range includes jams and marmalades, 19 flavours of fruit cordial, fruit sauces, fruit syrups, fruit and flavoured toppings, maple syrup, spreads, bellywashers, soft drinks, jelly crystals and instant puddings. Each of these products varies in size, and composition. Some ranges include Cottee's Diet products, which are distinguished by a light blue label and lid which clearly differentiate them from the Cottee's regular range.

The Cottee's All Natural range, including cordials, fruit juice syrup, and jelly, offers consumers high fruit content with no artificial flavours, colours or preservatives.



Cottee's Be Organic, a new range of organic jams to appeal to a more modern consumer.

Cottee's packaging has undergone a complete reinvention with the introduction of a new jam jar, squeeze topping bottle and a revolutionary user-friendly cordial jug pack. Building on the jug pack's success, Cottee's launched refills, encouraging more consumer cordial flavour rotation.

Adding to the makeover was the replacement of the old rigid, square Cottee's logo by a more fluid and fun redesign ready for the relaunch of the entire product range in 2002 under the banner of the 'That I Like Best' advertising campaign.

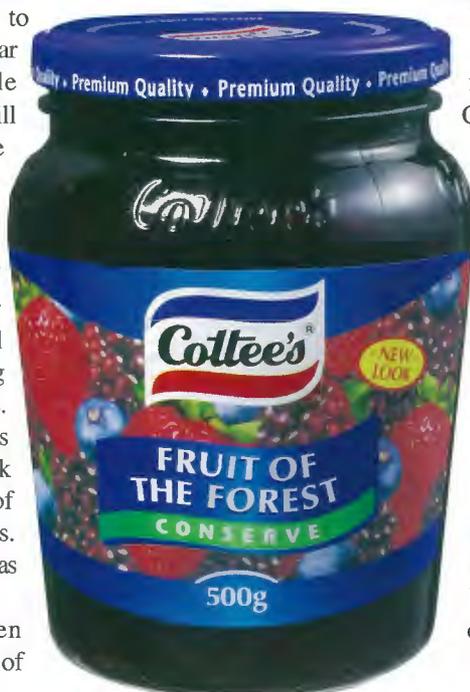


PROMOTION

Cottee's recognised early in its history that advertising and promotion were essential to remaining a competitive market leader.

Through the '50s, 'See the fruit in it', 'Everyday is a Cottee's kind of day', 'Cottee's festival of fun' and 'Always keenly priced' touted the virtues of the extensive Cottee's product portfolio. But no Cottee's advertising slogan or promotion ever made such an impact as the 'My Dad picks the fruit' television commercial of the early to mid 1980s. It remains a milestone in Cottee's marketing history, because it encapsulated the values that defined the company since its beginnings – fun, family, quality and trust.

In 2002 all Cottee's brands



RECENT DEVELOPMENTS

The new millennium has brought significant change to the Cottee's brand. In 2001 Cottee's fruit sauces were launched to complement the ever-popular topping range. While traditional toppings were still perfect for pouring over ice creams, the new fruit sauces were developed to make Cottee's topping stretch across a wider variety of uses; smothering over cheesecake, adding real flavour to pavlova or adding a touch of flavour to pancakes.

In 2002, Cottee's introduced its new soft drink range - a natural extension of the existing range of cordials. 'Cottee's now has bubbles' was the message for families.

Cottee's jam has been reinvigorated by the launch of



were promoted through the master brand and the emotional connection that consumers had with the 'My Dad' TVC, in the 'That I Like Best' campaign.

BRAND VALUES

Cottee's success has been built on hard work, integrity and the ability to anticipate the changing needs of Australian families. These cornerstones continue to form the foundation of Cottee's today. Cottee's loyal consumer base has grown from the company's commitment to quality products that meet the needs of Australian families. This achievement was made possible by the continuous evolution of the product range and an ability to connect with the Australian culture.

In everything Cottee's does going forward, it will be clear that regardless of the product category, it is one brand with one promise. That promise is that Cottee's foods are of a high, trusted quality, with a great taste. In most categories they are also market leaders – which clearly makes them the products 'that I like best'.

THINGS YOU DIDN'T KNOW ABOUT COTTEE'S

- Cottee's founder, Spencer Cottee, originally began life as dairy farmer.
- Cottee's sells enough jelly each year to fill 32,030 standard-sized baths.
- Cottee's Jelly used to be supplied to Australian army personnel as a sweet supplement to the soldiers' ration pack.
- Cottee's most popular cordial today, 'Coola', was developed in 1953.
- 'Passiona' was the first product ever made under the Cottee's brand name.
- If Cottee's packaged the company's annual production of jam in standard 500g jars and these were stacked on top of each other, they would stretch up to the moon more than twice, or around the world over 22 times.