

BEEFEATER
LONDON

BEEFEATER – REBUILDING A LONDON CLASSIC

Martin Riley – Marketing Director, Chivas Brothers Ltd.

25th January 2007

Brand Overview

Beefeater is the **World's leading Premium Gin.**

The **only** international **gin still distilled in London.**

Beefeater is **steeped for 24 hours** to create its characteristically vibrant and intense flavour.

In the last ten years Beefeater has **won** the prestigious IWSC trophy for **Best Gin more times** than any other gin brand*.



* 1999, 2002, 2003 and 2004

A natural product

Beefeater's product story reflects what consumers are looking for today:

Genuine **London Provenance** – the trend towards authenticity.

All **natural ingredients** – just grain spirit, pure water and nine natural botanicals.

Traditional distillation methods.

No added sugars or post-distillation essences.



A unique production process

The love of creating gin means that we take more time to create Beefeater's unique and perfectly balanced flavour.

The steeping process of our nine botanicals continues for **24 hours** - longer than that of any other premium gin.

Distillation takes **8 hours** to complete - only the heart of the distillation is collected.



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THE FUTURE OF BEEFEATER

Beefeater – Long Term Vision

As the **world's leading** premium gin we aim to drive forward the **gin category** by making Beefeater **THE** premium gin of choice.

Beefeater Gin - Key markets

- Beefeater is the **world's No.1 premium gin**.
- It is enjoyed in over **100 countries**.
- Beefeater sells over **2.3 million cases** worldwide.
- **No.1** Premium Gin in **Spain** - Europe's largest gin market.
- **No.3** Premium Gin in the **USA** - the world's largest gin market.
- The leading premium gin brand in **Global Duty Free***
- **The leading premium gin** in many other major markets including Canada, Russia and Japan.

Solid growth in 1st half 2006/07

Overall +5% volume growth over 6 months (+16% value growth)

Confirmed recovery in Spain (Nielsen: +2%, shipments: +10%)

Brand stabilised in the USA (+1%)

Strong performance in key 'potential' markets:

Russia (+31%)

UK (+16%)

France (x 4)

UK highlights

Brand showing strong growth (+16%)*

On trade: Beefeater revival has already started:

- Beefeater is now the FASTEST growing Gin (+33%) in a declining category (-5.6%).
- Beefeater is in growth across all the on trade sectors with strong performance in independent pubs (+33%), leased & tenanted pubs (+14%) and HoReCa (+97%)**.
- New on-trade listings include - Lonsdale (Notting Hill), Soho House Group, Ronnie Scotts, Harvey Nichols & Fortnum & Mason bars.

Off Trade: Beefeater is now available to more consumers:

- New listings recently gained in Asda and Somerfield. Already listed in Sainsbury's, Tesco and Waitrose.

USA highlights

Brand stabilised in this challenging market (+1%)

Throughout 2006 Beefeater supported by a programme of advertorial, advertising and events.

Significant programme of investment planned in 2007 including advertising, bartender education and sampling programmes .



Salutes The Leading Imports of 2006

GQ July feature



Beefeater as a 'Taste of the Nation' sponsor



Spain highlights

Confirmed recovery in Spain (shipments: +10%)

The brand recently launched its new Spanish PR campaign – **Londonize** by Beefeater – designed to bring the “Spirit of London” to Spain.

Hosted by Zandra Rhodes, the first event was a fashion show in Madrid combining:

- A documentary film of 25 years of London Fashion Week.

- An exclusive showing of the B-Rude collection by Boy George.

- An exhibition of the best of British fashion from London’s Fashion & Textile Museum.

The logo for the "Londonize by Beefeater" campaign. It features the word "LONDONIZE" in a large, bold, black, sans-serif font. Below it, the word "BY" is written in a smaller, black, sans-serif font. Underneath "BY" is a horizontal line, and below that line is the word "BEEFEATER" in a bold, red, serif font with a white outline.

Beefeater – rebuilding a London classic

In 2005 the brand faced a number of key issues.

Outside of Spain, Beefeater's image had declined.

The packaging lacked premium cues.

There was a lack of a consistent global advertising approach and within Spain the long running BE campaign, whilst successful, was showing signs of wear out.

The London distillery had historically been under-exploited.

Key Strategic Priorities for Beefeater in 2006

Re-position Beefeater Dry

Devise a new global brand positioning.

Create a new global advertising campaign.

Re-pack Beefeater Dry.

Upgrade the website.

Re-establish our quality credentials

Build a brand home.

Start an ambassador programme.

Introduce a trade and consumer PR programme.

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A NEW POSITIONING FOR A CLASSIC BRAND

Nick Blacknell - Brand Director, Beefeater

A new brand positioning

Previous research indicated the need to provide a distinctive positioning for Beefeater and to add contemporary relevance and aspiration.

We had a rich history centred around London, but knew little about how consumers perceived Gin, Beefeater and London.

Global territory research was thus commissioned to understand consumers' perceptions of the category, the brand and the world which it comes from.

London spirit is at the heart of the brand

What consumers thought best reflected both London and Beefeater was the interplay between the old and the new.

The idea of the unexpected contrasts between tradition, heritage and history and a modern, cutting edge urban culture.

This makes London, and the brand:

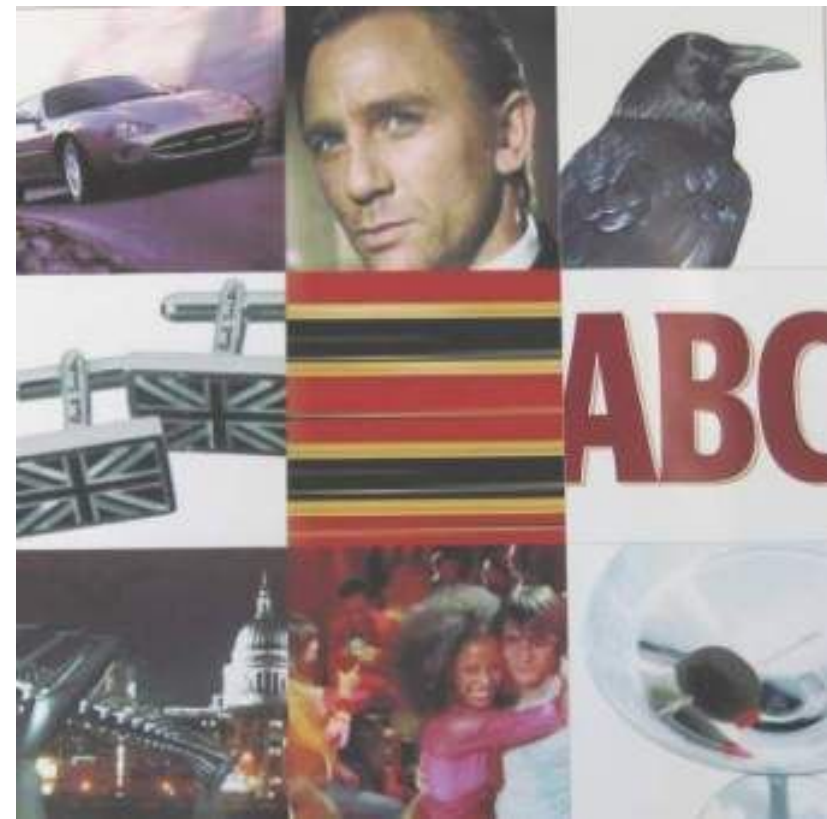
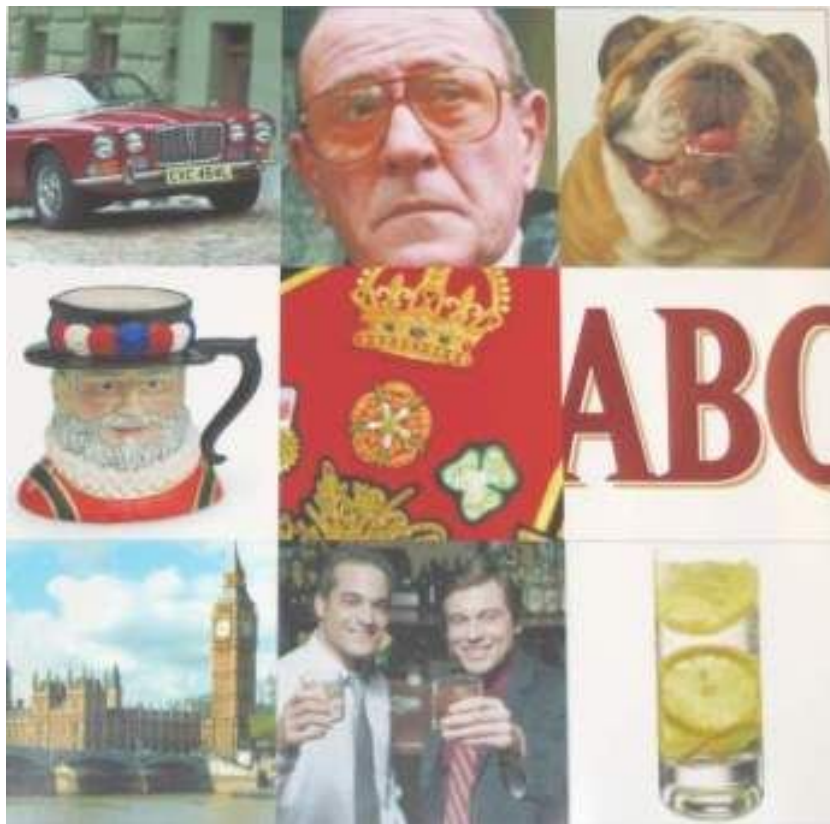
Exciting

Unique

Different

Multifaceted

Re-positioning the brand



What is at our heart?

LONDON

(and its many contrasts)



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RE-BUILDING THE BRAND HOME

Beefeater Distillery – London home is at the heart of the brand

Phase 1 development:

- Reception
- Board room
- Botanicals room
- Stairwells
- Bathroom facilities

Phase 2 development:

- Cocktail bar
- Catering facilities
- Conference room



New Stairwells

A significant investment in the brand



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BRAND AMBASSADOR PROGRAMME

Beefeater Master Distiller

- Master Distiller **Desmond Payne** has been making gin for over **40 years**.
- Recognised as one of the **foremost authorities** in the gin industry today.
- Guardian of the **unique** Beefeater recipe.
- Personally selects and assesses the **quality of each botanical** used in the creation of Beefeater gin.
- Desmond is also responsible for conducting **gin seminars** both at home and abroad.



Beefeater Brand Ambassador

Beefeater has appointed Dan Warner in the newly created role of Brand Ambassador.

Dan brings over 10 years' experience in the industry to the role and is a former Theme Magazine Bartender of the Year.

He is responsible for:

- Education and training both in the **UK and abroad**.
- Hosting distillery trips.
- Helping build distribution of Beefeater in key London outlets.



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THE CLASSIC COCKTAIL CONFERENCE

What was it?

A day conference on gin held at the Electric Cinema in Notting Hill.

Covering two themes – the classic gin cocktail trend and the making of gin.

Guest speakers included the head distillers of Bols, Seagram's Gin and Beefeater and the leading proponents of the classic cocktail revival in both London and New York.

Guests were a mixture of bar owners, journalists and drinks consultants from all over the world.

The event



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A NEW PACKAGING SOLUTION

The current pack



Packaging upgrade

Leading London agency, Design Bridge, were appointed to upgrade the current pack.

The design brief was to premiumise the pack without losing its iconic look.

Also to retain the most recognisable assets – the use of red, the square/tall bottle, the yeoman and the logo.

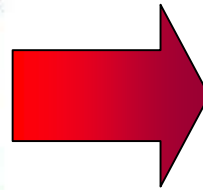
Roll-out is planned for May 2007.

The inspiration



The evolution of the logo

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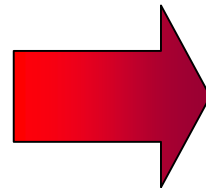


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EXISTING LOGO

NEW LOGO

Evolution of the Yeoman



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The pack changes



Keeping true to the brand look and feel



Packaging Research

In research the upgraded design was found to:

- Improve on-shelf standout.
- Build upon the brand's quality credentials.
- Enhance the brand's genuine London provenance.
- Make the brand more relevant and attractive.

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NEW BEEFEATER GLOBAL ADVERTISING

Advertising development

A new international advertising campaign has been created by advertising agency Publicis.

It builds on the brand's long association with London and is a visual representation of both Beefeater's traditional heritage and its place in contemporary London.

Each execution is a collage of globally recognised icons and images from London's past and present which together reflect Beefeater's rich London provenance.

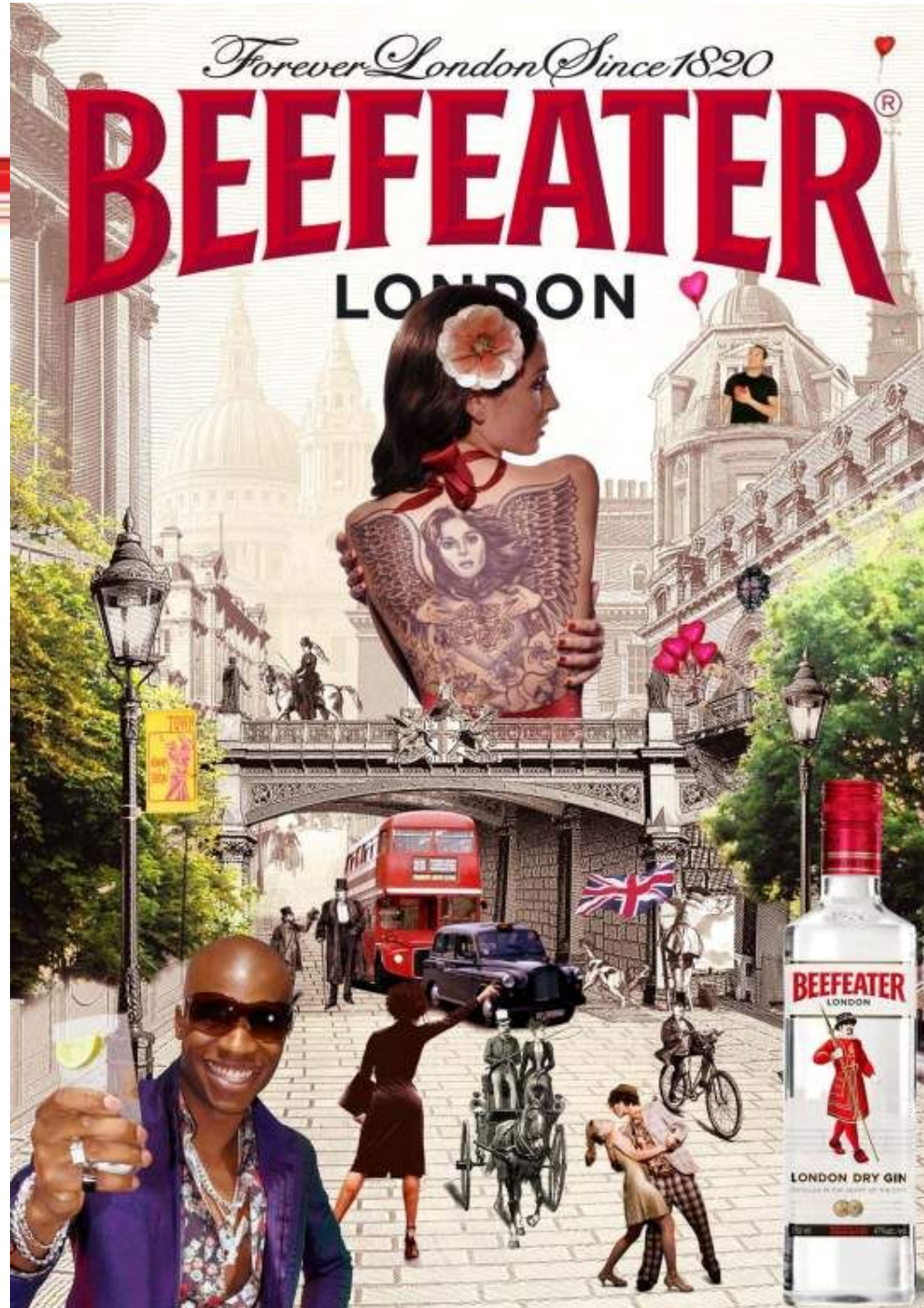
The campaign will be rolled out from the start of February supported by a multi-million pound media package.

Forever London Since 1820

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Outdoor (1)



Forever London - Research

Execution

The **models are liked** and the **London theme** is working well.

The ads are perceived to be **original, appealing and enjoyable** to see.

Excellent overall liking, brand attribution, **brand recall** and ad visibility scores.

Brand

Beefeater is perceived to be of **high quality** and its **origin and heritage** are important factors.

Beefeater has **broad appeal** but **stylish and trendy** were also attributes used to define the brand.

In Summary

- Continue to build on our **success in Spain** (Number one imported White Spirit in 2006)*
- **Revitalise and premiumise the brand** in the USA.
- **Build the brand** in new and emerging markets.
- Build on our rich **London provenance and heritage**.
- Restore Beefeater's **quality credentials and image** so that we are the “premium gin of choice”.



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THANK-YOU