



Market

Lipton, the world's leading brand of tea, is the global market leader in both leaf and ready-to-drink tea, with a global market share nearly three times larger than its nearest rival.

Lipton Hot Tea plays a key role on the hot drinks market. Due to the high quality brands present on the Romanian market and as a result of increased household incomes, the hot drinks segment increased in volume during the year.

Tea was the segment of the hot drinks market with the most dynamic development, with consumption up more than 50% in 2005 in comparison to 2004. Still, when compared to the

estimated potential of the market, sales remain rather low.

Competition with coffee, which has seen a strong recent performance on the Romanian market, affected the normal growth of sales on the tea market. Furthermore, Romanian consumers do not consider tea an essential product. A recent study revealed that most respondents purchase tea only once a month, while just a very small number buys it twice or three times a week.

Advertising for hot tea practically does not exist. Consumers go directly to the store shelf and purchase the desired brands.

The increasing demand for natural products, common for medium and high-income consumers, is the main factor which drives the tea market. There are four major players of the hot tea market, with Lipton being the premium brand. The four brands together represent almost 65% of all hot tea sales.

Lipton Ice Tea, the world's most popular ice tea, is made out of real tea leaves. It is a natural, refreshing beverage, contains no artificial colours, no preservatives and has all the goodness of tea inside, being rich in natural antioxidants. Lipton Ice Tea is now available in over 30 countries.

Lipton is a trademark of Unilever, while the Lipton Ice Tea business is developed at international level by Pepsi Lipton International, a joint venture between PepsiCo and Unilever.

In Romania, the ice tea market is still small, representing 1% of the total soft drinks market, but with a spectacular potential and a clear growth trend. Lipton Ice Tea was launched in Romania in 2003 and has recorded a continuous and solid growth during this period, leading the development of the whole Ice Tea category.

Achievements

In 1998, when the Lipton brand was launched in Romania, the market didn't seem to represent an important trade opportunity, due to the small size of the tea segment. However, tea consumption and the tea market grew in the following years. As a result, Lipton has established new priorities, built ambitious plans and initiated innovative activities and educational campaigns, all of which have contributed to the market's accelerated growth.

Lipton Hot Tea is the market leader on the black tea section in Romania. The local market development strategy is strongly oriented towards the fruit and herbal tea categories, which appear to have, at present, the highest sales potential in Romania.

Since beverage consumption trends are changing and consumers are shifting towards healthy products, Lipton hot tea has an privileged position on the market.

Lipton Tea represents around 10% of the world market for tea (Source: Euromonitor World Market for Hot Drinks, 2004), and is part of Unilever's portfolio, which sells around 20% of the world's tea, under brands such as PG Tips and Beseda.

The biggest selling variety is Lipton Yellow Label, with its "Quality Number One" strap line, a tea that is enjoyed all over the world.

Lipton Ice Tea, the world's number one brand in the Ice Tea segment, is a strategic brand in both Unilever and PepsiCo's portfolio. In Romania, Lipton Ice Tea products are produced and distributed by Quadrant Amroq Beverages (PepsiCo's bottler), under license from Pepsi Lipton International. The beverage system in Romania includes the Romanian Representative Office of Pepsi Lipton International, with a leading role in brand and marketing strategies, building relationships with franchised bottlers over the Balkans region and supporting their operational, sales and marketing capabilities with international expertise.

In 2006, in Romania, Lipton Ice Tea launched a new superior product, making use of hot fill technology, containing no preservatives or colourants.

Lipton Ice Tea Green, also launched in Romania in 2006, is a product that offers the goodness of green tea, offering balance for the mind, body and spirit.

New Lipton bottles were also introduced in 2006, created around a natural leaf design.

As part of an ongoing commitment to tea and health, Lipton has developed its own technologies to ensure that the natural antioxidants from tea leaves are captured in Lipton Tea, so that all Lipton Tea products represent a rich source of antioxidants, extremely beneficial to health.

History

Born in 1850, Thomas Johnstone Lipton was a pioneering entrepreneur who, by the 1880s, had opened grocery shops all over the UK. He had a vision of making tea accessible to all, at acceptable prices, with quality guaranteed.

Thus, the British tea company Thomas J. Lipton Co., which was founded by Sir Thomas Lipton in 1893, began production of Lipton. It developed into the world's biggest tea brand, selling both hot and iced tea around the world.

In the 1890s, his Lipton teas enjoyed great success in the UK and the US.

Thomas Lipton was knighted by Queen Victoria, who made him Sir Thomas Lipton in 1898, at the age of 48.

Unilever acquired the global Lipton Tea business in 1972. Available in over 180 countries, Lipton is particularly popular in Europe, North America, the Middle East, Africa and parts of Asia.

Product

Lipton has harnessed the power of the tea leaf in a wide variety of products, each one offering a different expression of tea's benefits. Through this broad selection of tea products - black and green, fruit and herbal, hot and cold - Lipton offers consumers a range of alternatives through which to enjoy the goodness of tea.

Lipton Hot Tea is present in Romania with a large portfolio of teas such as: Black Tea, Green Tea, Fruit Tea and Herbal Tea, totaling 27 different varieties.

Lipton Ice Tea is a deliciously refreshing beverage made with real tea, blended with water. The tea leaves make Lipton Ice Tea a great source of antioxidants. It also has 35% less sugar than most regular soft drinks and absolutely no artificial colouring, preservatives or sweeteners.

Lipton Ice Tea is present in Romania with Lipton Ice Tea Peach and Lemon, and in 2006



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launched Lipton Ice Tea Green in 0.25L, 0.5L and 1.5L sizes.

The Lipton Ice Tea trademark is the "cool" alternative side to Lipton Tea, in keeping with the tradition and natural side of the brand.

Recent Developments

More than 100 years of breakthroughs and innovations have enabled Lipton to bring the pleasure of tea to more people in the world than any other tea brand. In the spirit of tireless inventiveness, research and discovery, Lipton is helping to shed more light on the exciting health benefits of brewed black and green tea, including the protective qualities of antioxidants.

A recent Lipton development is the pyramidal tea bag, designed for long-leaf tea, which is hand-picked from just the top two leaves and a bud. Lipton's premium long-cut tea is delicately packaged in unique pyramid-shaped bags that allow the tea room to circulate freely with real pieces of fruit for a truly authentic tea infusion. The result is an exceptionally pure tea flavour and aroma.

Promotion

Lipton's distinctive yellow colour is a mark of Lipton Hot Tea, both at global and regional level.

The brand is actively present in the HoReCa channel, recognised as an important instrument for promoting tea products.

The latest marketing strategy for Lipton Ice Tea included a 360 degree Marketing Plan with outstanding initiatives, centred around the product's associations with nature and health.

The TV commercials for the brand were shot on location at one of the Lipton plantations in Asia.

Brand Values

Lipton's current slogan is "Tea Can Do That". With more than 100 years of tasting, buying and blending expertise, Lipton® Tea provides today's health-conscious consumer with a variety of convenient, great-tasting, healthy tea products from hot tea to ready-to-drink ice tea mixes.

Lipton® Tea is one of the few brands to operate its own tea estates and research facilities.

Lipton Ice Tea targets people with a young spirit, who enjoy life, but who also understand that diet has consequences on health and well-being. Lipton Ice Tea is made for those who want to make small, positive, healthy choices, but never asks its consumers to sacrifice their drinking pleasure.



THINGS YOU DIDN'T KNOW ABOUT

Lipton

- › After water, tea is the most popular beverage in the world
- › Over 170 million cups of Lipton Tea and approximately eleven million bottles of Lipton Ice Tea are consumed every single day
- › 52 billion cups of Lipton tea are drunk every year with a frequency of 1,649 cups per second
- › 156 cans of Lipton Ice Tea are drunk every second
- › Lipton Ice Tea is the fifteenth biggest selling soft drink brand in the world
- › Through the 'Trees 2000' program in Kenya, Lipton plants 40,000 indigenous trees every year to curb deforestation
- › Sir Thomas Lipton was a formidable challenger to the New York Yacht Club for the America's Cup (the most prestigious prize in the world of sailing). In order to preserve the spirit of the brand's creator, every year Lipton organises the Lipton Challenge Cup, one of the most important sporting trophies in the world, and one with a particularly long history
- › The Sir Thomas Lipton Trophy was recognised as the first World Cup football competition, which took place in Turin, Italy, in 1909