

Bulmers and Magners

Tradition, Longevity and Quality

€50 million expansion plan

A capacity of
50,000 bottles per hour
or **14** bottles per second



Capacity Expansion

To meet the current and anticipated future demand for our cider brands, a €50 million expansion plan is underway at our cider plant in Annerville, Clonmel, Co. Tipperary.

Almost half of this is being invested in a new state-of-the-art bottling facility. A new bottling hall was constructed to house a bottling line with a capacity of 50,000 bottles per hour. While this line will mostly be dedicated to pint bottles, it will also be able to produce 330ml longneck bottles in 24 cases or in multipacks for the off-trade at a speed of 62,000 bottles per hour.

This investment will increase capacity on site by c. 100%. Commissioning of the line is currently underway and is on time and on budget. Full production is expected to commence in June 2006.

Associated with this investment, the cider making facilities are being expanded with two new automated apple presses, additional fermentation and maturation vessels, an expansion in micro filtration and all utilities.

Warehousing on site is being expanded through the use of temporary storage warehouses, while plans are being finalised for a new high-bay warehouse.

In order to minimise the effect on the environment of this capacity expansion, our wastewater treatment plant is also being upgraded at a cost of €5 million. This will ensure that the site conforms with its IPC Licence limits.

While this expansion will meet our capacity requirements in the medium term, we are also looking ahead to the longer term and finalising plans to meet demand beyond 2011.



The Bulmers Tradition



Marketing spend

€25.4
million

75% increase
year-on-year



* Quarterly run rates



Over 70 years of experience

The history of the Bulmers and Magners brands dates back to the 1930's when commercial cider production was started in Clonmel by local man, William Magner. Originally based in Dowds Lane in the centre of Clonmel, (where apple crushing and cider fermentation still take place), the business opened a complex in Annerville on the outskirts of the town in 1965. The wooden vats in Dowds Lane and the 200 acres of orchards in Annerville are featured in much of our advertising. Over the last 70 years while the size of our cider-making operations has grown, the emphasis on naturalness and quality remains.

In the last 20 years, the Group has also successfully educated consumer perceptions about cider. This has been done by re-packaging the products, reducing the alcohol strength and focusing our advertising on the core product values of naturalness and heritage. The creative message of "nothing added but time" was a key part of this strategy. Reducing the seasonality of our consumption patterns is also important, so more recently our "seasons" campaigns have shown that our products can be enjoyed all year round.

We have always invested significantly in building our brands and this year our marketing spend was €25.4 million. Our investment has been rewarded by steady increases in market share. From a 4% share in 1990, Bulmers' share of the long alcohol drinks market (beer, cider and RTD's) now stands at 10%.

We started our international expansion in 1999 by launching our international brand Magners in Northern Ireland and more recently into Scotland and London. Magners is also sold in Spain and in the USA. Our share of the on-trade long alcohol drinks market in Scotland now stands at 3% while it is 1.3% in London. Our plan for the 2006/07 financial year is to roll out Magners throughout the United Kingdom, supported by a €30 million marketing investment.