



***ITW Croatia***

***Zagrebačka pivovara***

***Story of Success***



## TV Commercials (1):



**Ožujsko BRASS BAND** – equity commercial from 2001.

Showing the ideal core lager positioning (fact from Sensydiam research) and communication mechanism (group bonding/male attitude).

A positioning/communication mechanism we use all around the world and that we own and successfully exploit in the Croatian market.

## TV Commercials (3):



**Ožujsko «Football without the ball»**  
Shows our link to football.

## TV Commercials (4):



**Ožujsko «Hitchhiking»** - Portugal 2004 NCP  
Uses our link with Croatian Football Federation

## TV Commercials (5):



**Stella Artois:** perfectly built around global positioning, showing off local initiative. Great emphasis on foundation (Leuven/Refreshment/Quality...) message, fitting the product life cycle of Stella Artois in Croatia.

# Croatia Macro-economy



## Population: 4.5 million

### ❖ *Demographics:*

Age groups	<19	20-39	40-59	> 60
Male:	51%	50%	49%	40%
Female:	49%	50%	51%	60%

### ❖ *Islands: 1.718*

### ❖ *Length of Coast line: 5.835 km*

\* Croatian Bureau of Statistics , Census 2002

❖ *GDP:* 5.590 (EUR)

❖ *Inflation:* 1,5%

❖ *Unemployment:* 18,9%

❖ *Corporate Tax:* 20%

❖ *VAT:* 22%

\* Croatian Bureau of Statistics , 2003

❖ *World Champions: waterpolo, handball, tennis, archery – Sports nation*

# History ITW Croatia



1892

Zagreb brewery established

1993

Zagreb brewery becomes a public company

1994

Interbrew buy's 23% of stock & later in the year becomes majority stake holder

1995-2004

Significant investment cycle & transformation to world class operations

2004

Ožujsko beer celebrates 111th birthday

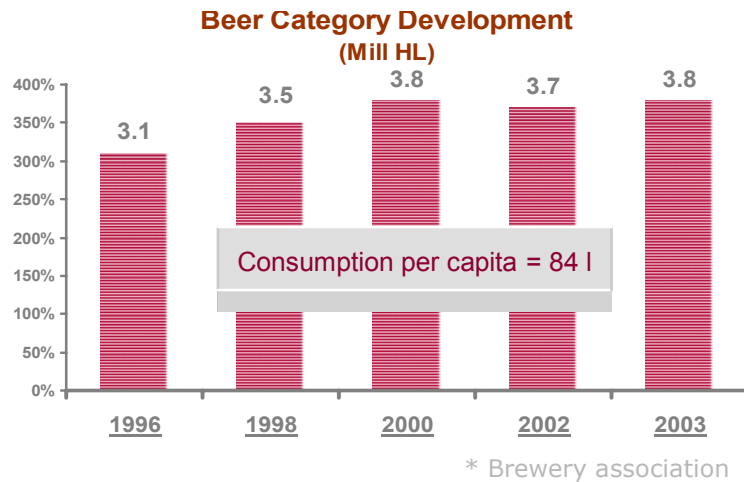


# Did you know?

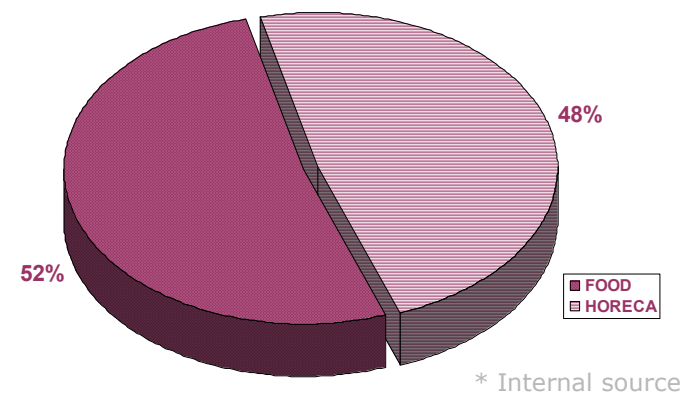


- ❖ That each minute there are 669 consumers enjoying one of our brands
- ❖ That this summer, every 9th Croatian will be wearing an Ožujsko T-shirt ‘Žuja je zakon’
- ❖ That the “world’s largest” display ever built was in eastern Croatia ... 44 pallets of Ožujsko... during our 111 Ožujsko celebrations

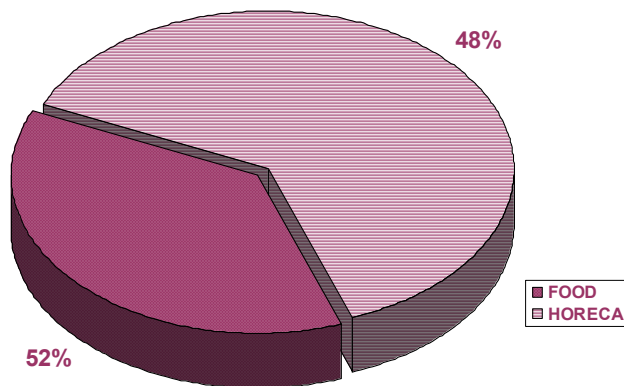
# Croatia Market Structure



**2003 BEER VOLUMES PER CHANNEL**

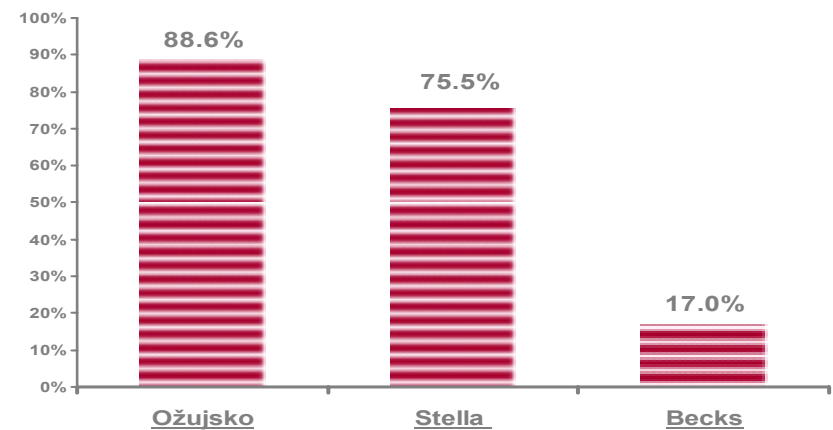


**UNIVERSE**



\* Internal source:SAS

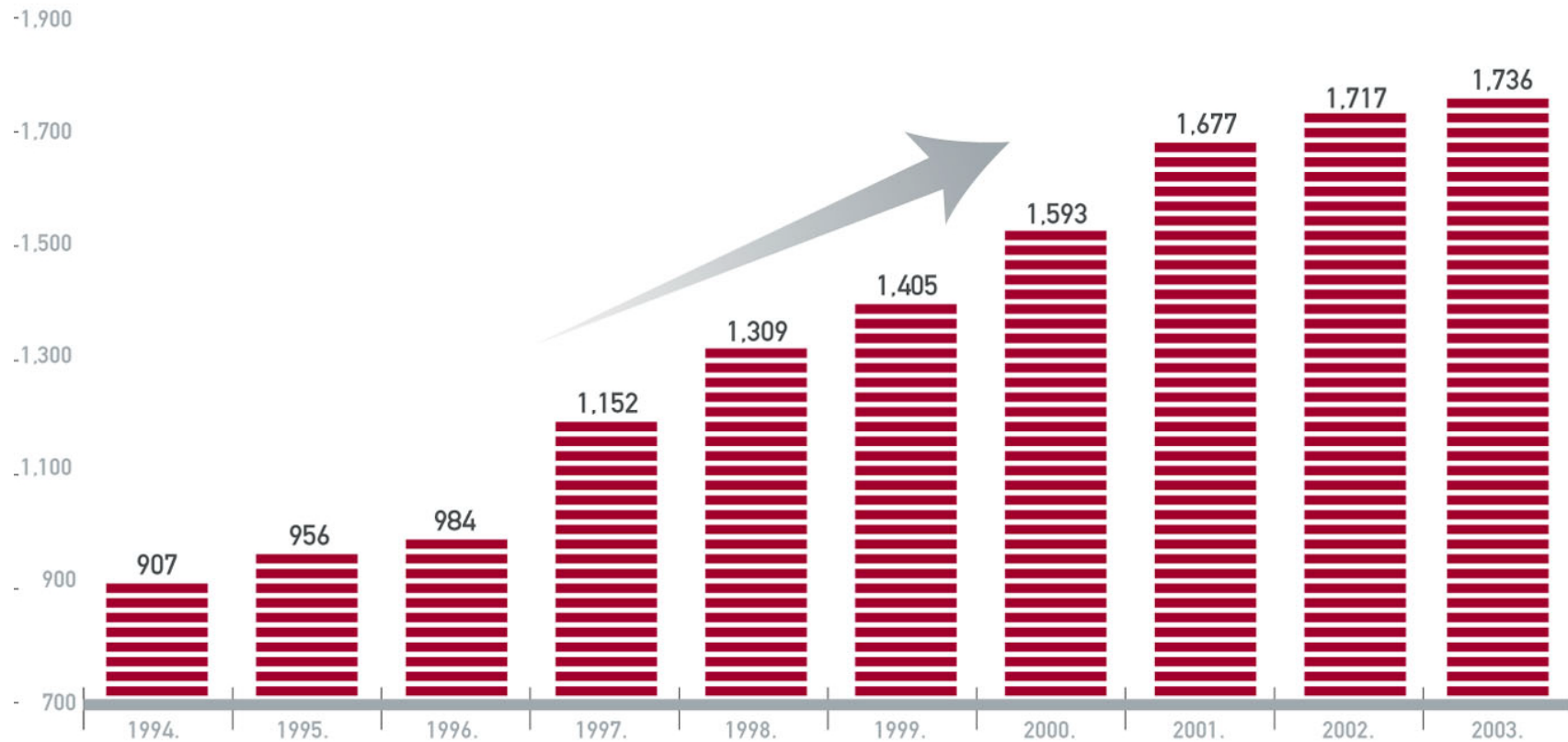
**DISTRIBUTION 2003**



\* Internal source:SAS

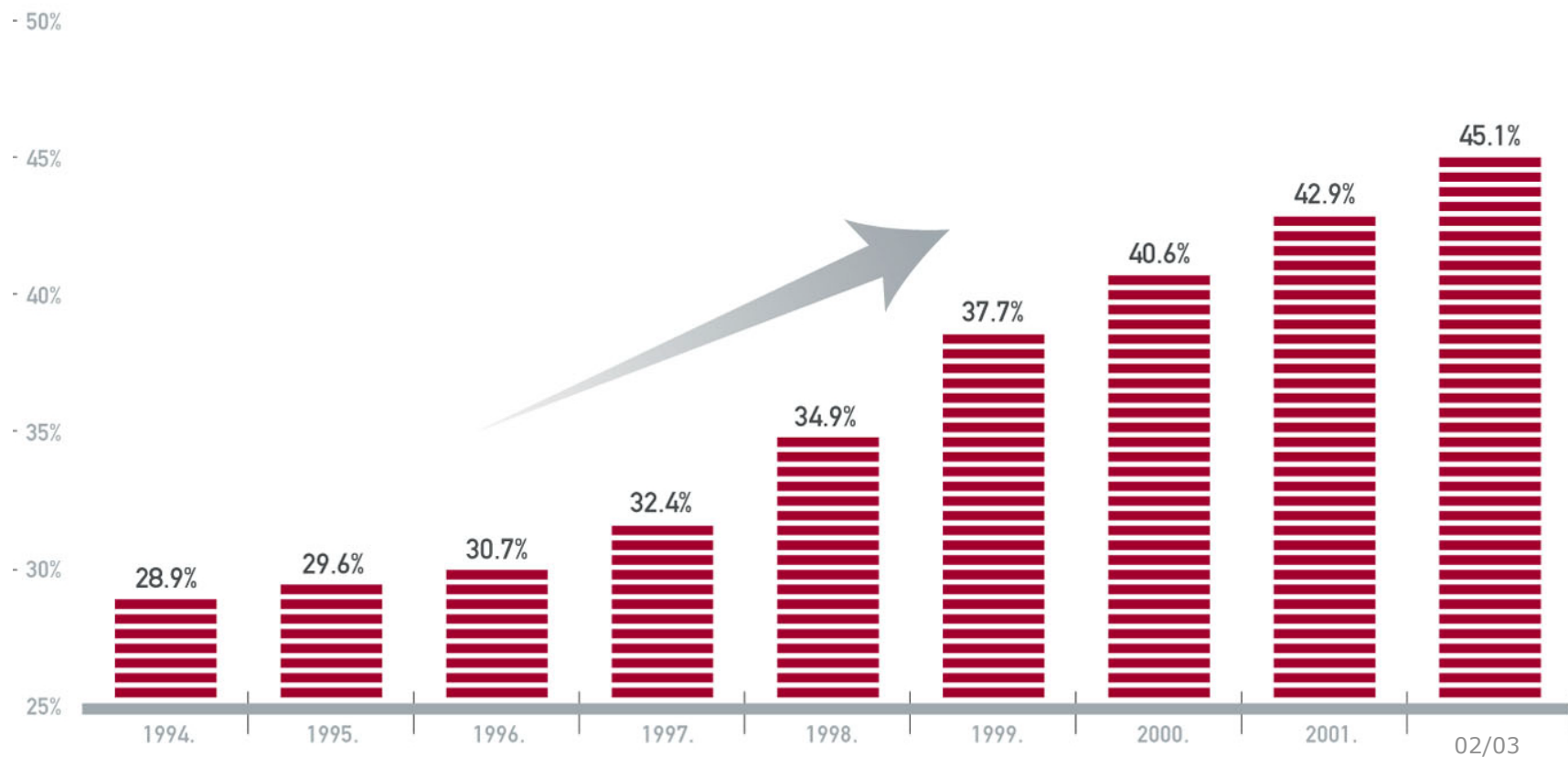
# ITW Croatia volume Development

## Hectolitres



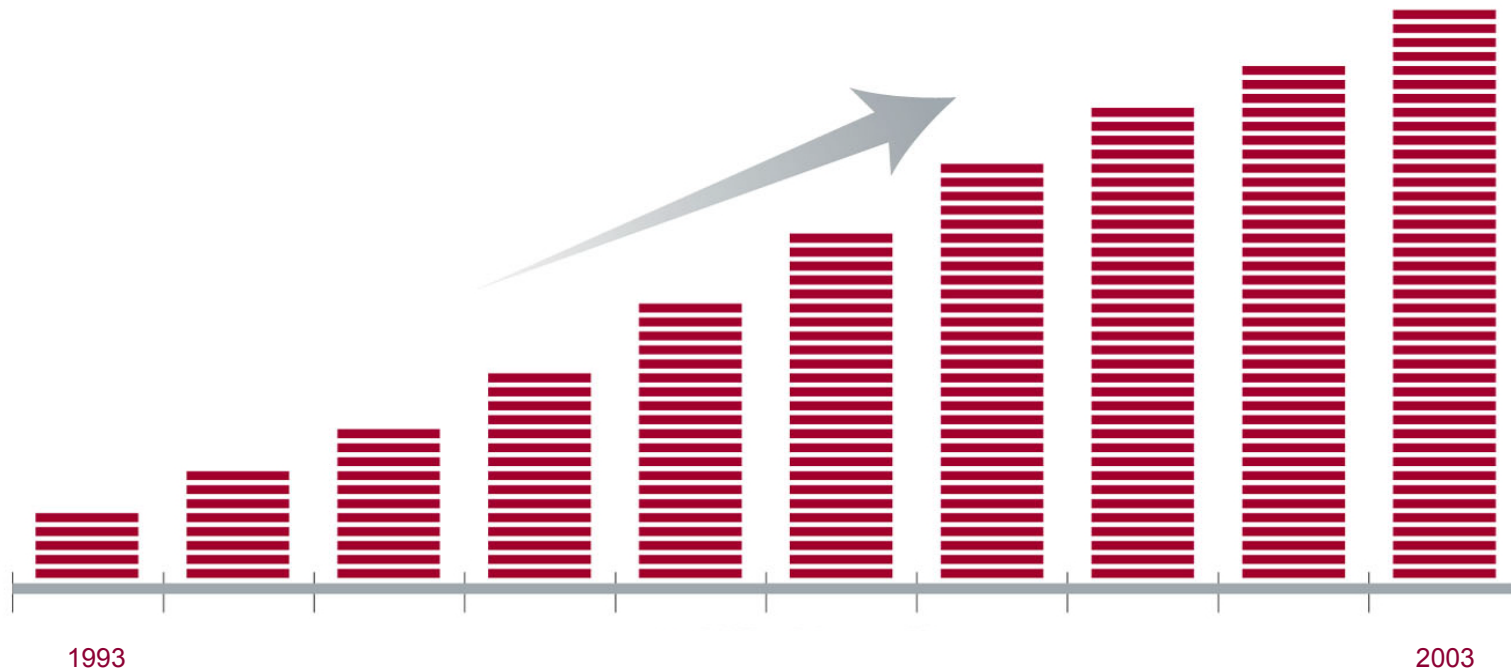
\* Internal source

# ITW Croatia Market Share Development

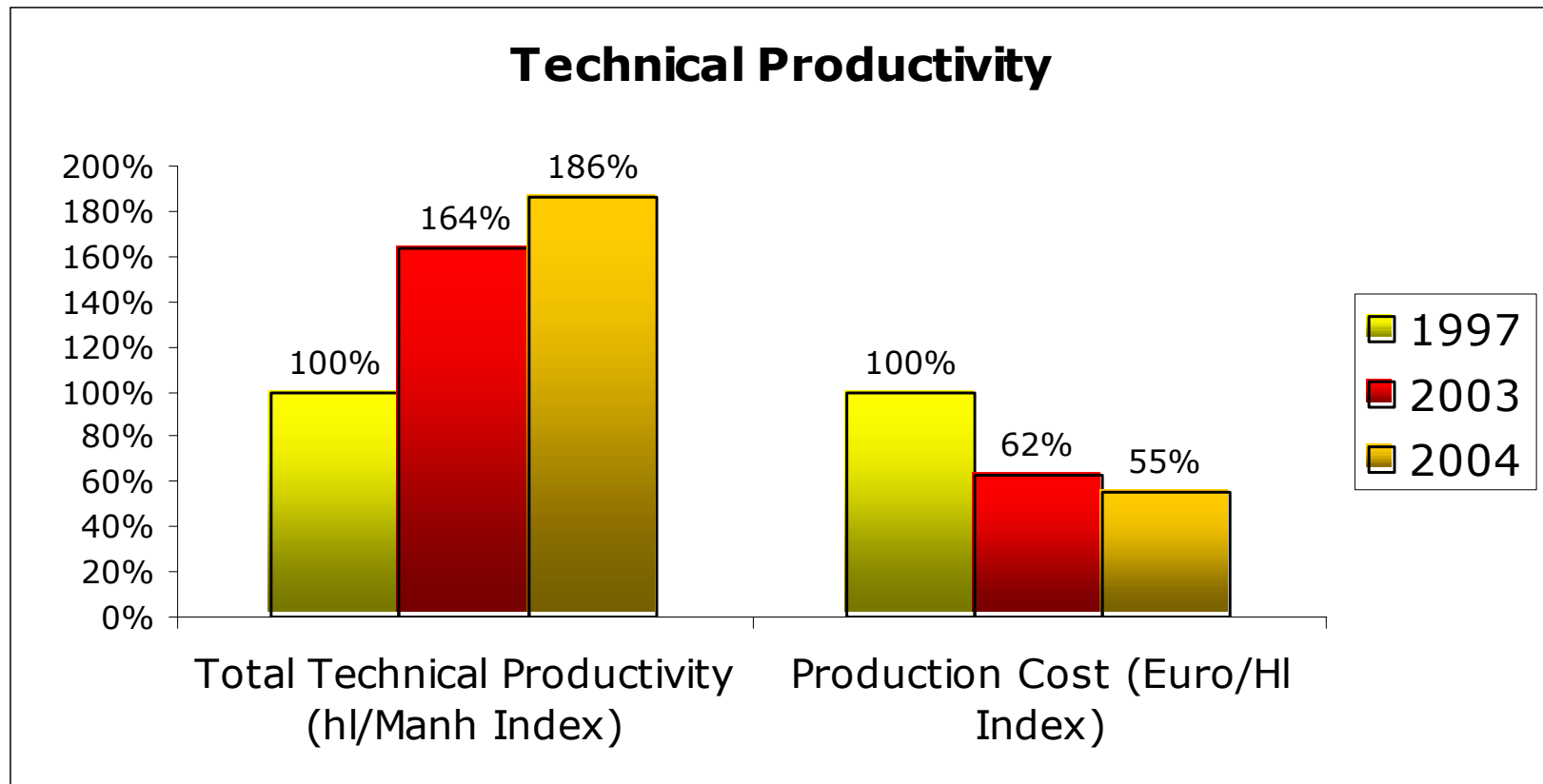


\* Source: Brewery association, Croatian Bureau of Statistics

# ITW Croatia Investments – last 10 years

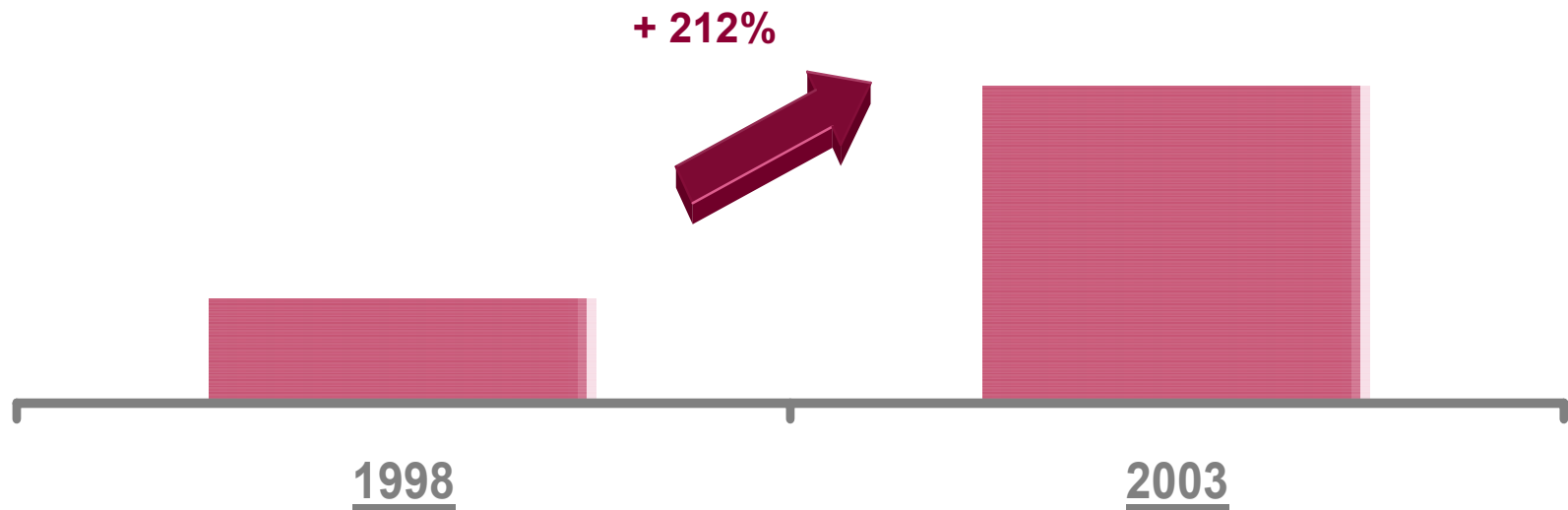


# ITW Croatia Productivity



\* Internal source

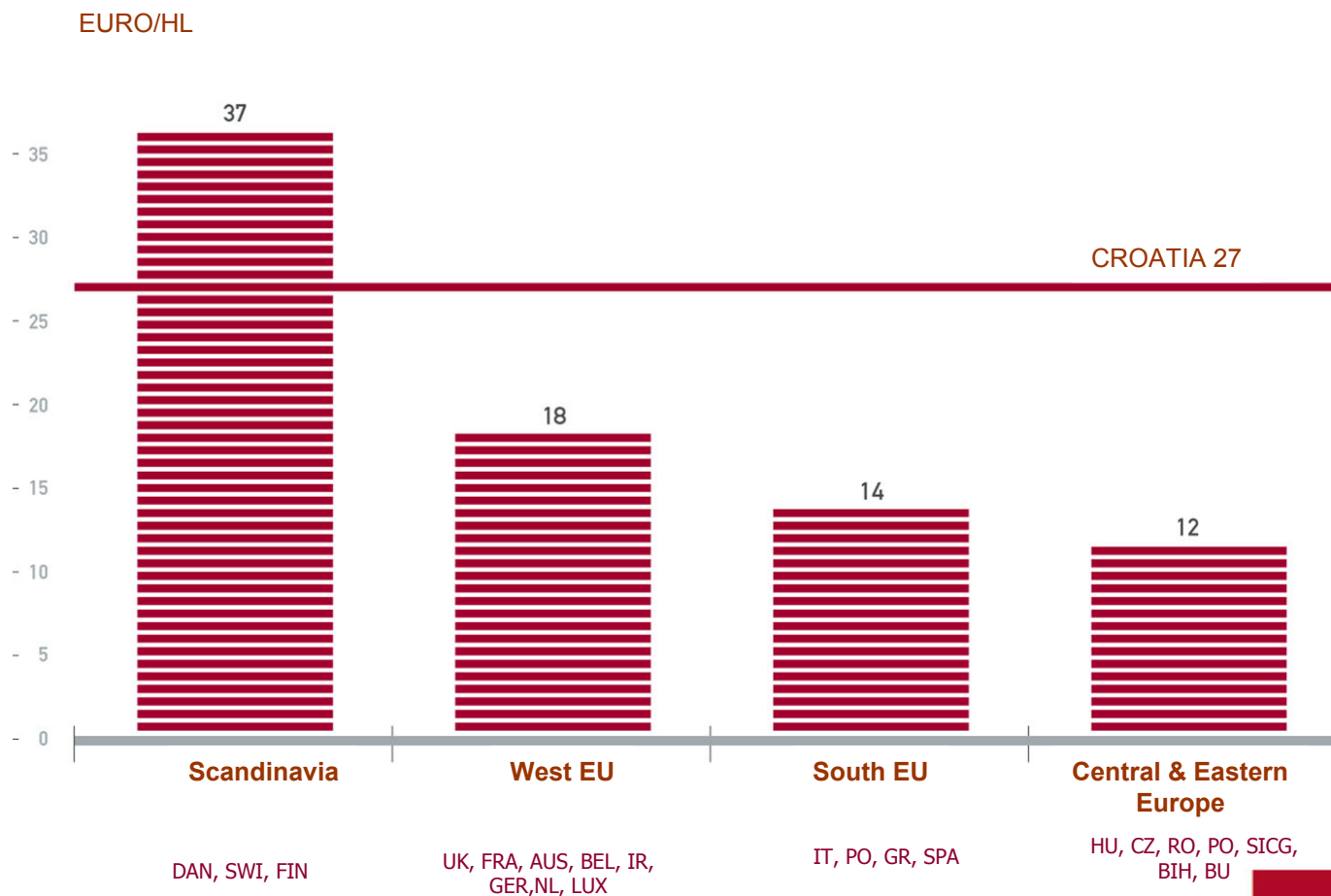
# EBIT Development



\* Internal source

# Excise

High excise presents future opportunity upon Croatia accession to the EU  
EURO/HL



# ITW Croatia Product & People Quality



## ❖ PEOPLE QUALITY

- ❖ Nurturing & developing highly skilled people
- ❖ Newly employed in 2004 - 50 people / +10% - all Sales & Mkt
- ❖ Continual training & development – 5 executive MBA participants, leadership program, sales academy..etc)

## ❖ PRODUCT QUALITY

- ❖ ISO 9001:2000 certification
- ❖ Environment, Health & Safety standards
- ❖ Award for the best beer in the CEE zone



# Brand Portfolio & Quality

## Full Portfolio of Winning Brands



### MARKET

SPECIALITY 1%

NON ALCO 2%

PREMIUM 8%

CORE 89%

VALUE 0%



### ITW MARKET SHARE

SPECIALITY 50%  
LEFFE, HOEGARDEN,  
BOŽIČNO, TOMISLAV

NON ALCO 80%  
COOL & STELLA NA

PREMIUM 32%  
STELLA & BECK'S

CORE 45%  
OŽUJSKO

VALUE 0%

### ITW BRAND QUALITY

	Brand Liking Ratio
Stella	91%
Beck's	86%
Ožujsko	75%

\*Source Quality: GFK BPS Study  
\*Source Segments: Internal

# Brands – Key Initiatives in the past

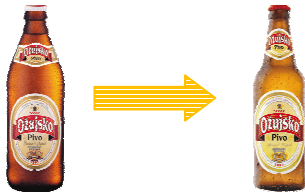


## OŽUJSKO – always innovative

- first on the market with branded crates



- first on the market with BNR bottle



- Ožujsko Cool - non-alco core beer



- Ožujsko Izzy – transparent bottle



- Q-pack – 1 l , 0,65 l

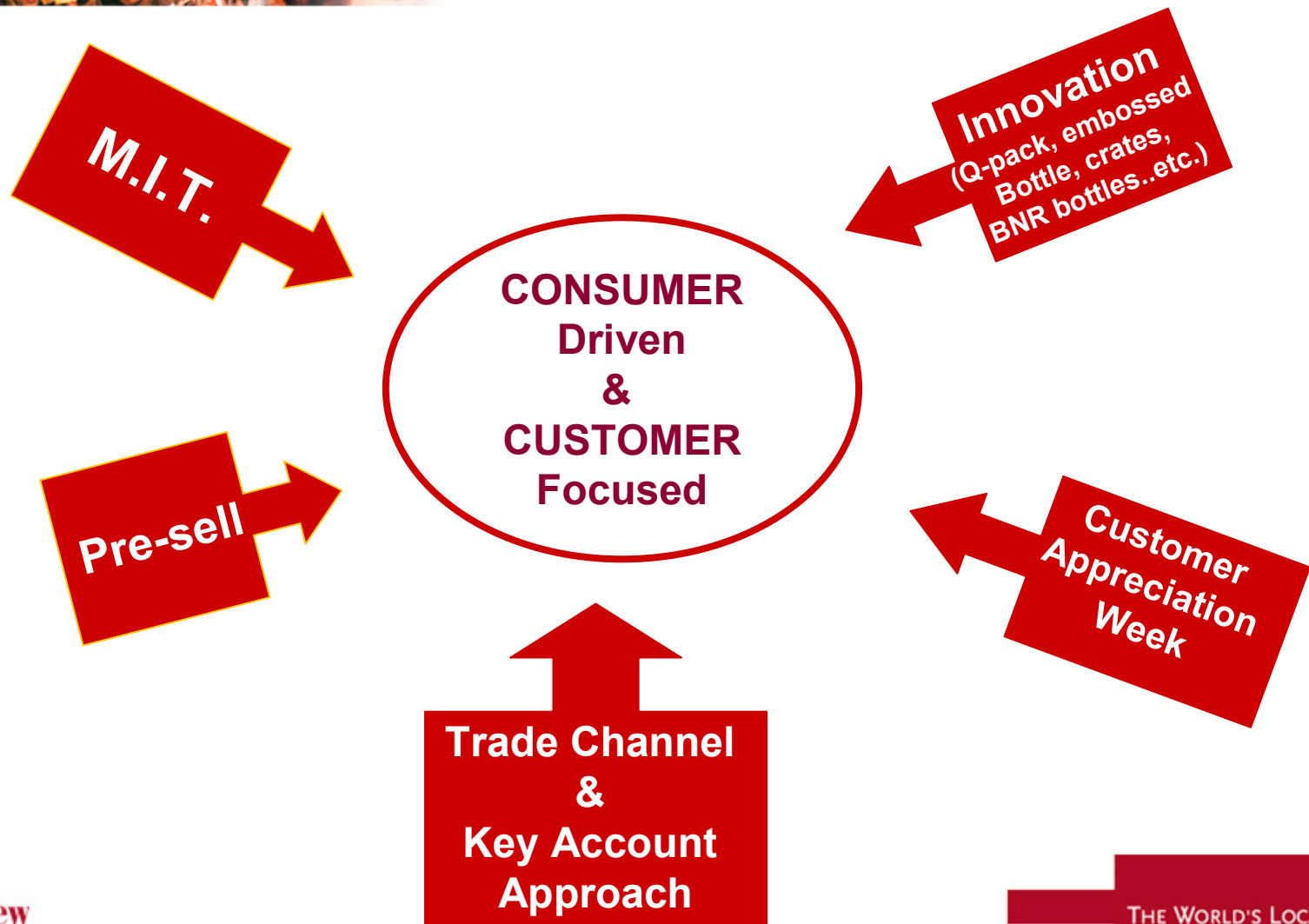


## STELLA ARTOIS – sophisticated & new

- first true premium brand on the market
- aluminium bottle to be launched
- thermo label
- embossed bottle launched
- 0.25 twist-off packaging



# Commitment to Superior Execution



# Team Work – 111 Years of Ožujsko pivo

Birthday celebrated with consumer & customer promotion. Merchandising action with participation of all brewery employees including entire management



**Žužja je zakon!**  
111 GODINA

