



THE MARKET

The Bottled Sauces category encompasses a vast range of sauces from traditional varieties to Asian sauces and marinades. Sauces have traditionally been used to add extra flavour to mid-week meals, family barbecues and entertaining occasions. With an increasing number of consumers wanting to feel “ownership” of their home-made meals without the time and effort that goes into preparing them from scratch, the usage occasions for sauces are becoming more diverse than ever with many home-chefs using sauces as shortcuts in creating their own signature dishes.

Consumers love their various sauces and use them frequently (91% fortnightly & 70% 2-7 times per week¹), and Fountain has ensured that there’s a superior sauce offering to fit all consumption and cooking occasions.

The category consists of three major segments, namely Tomato, Barbecue and Variety, and is growing at a moderate rate every year. The traditional Tomato and Barbecue segments have evolved to be represented in a variety of packaging formats. Fountain’s iconic glass bottle is recognised by generations of Australians and is still around today. For those who favour plastic – Fountain’s same legendary sauce is also available in Squeezeie bottles in various sizes.

The majority of growth in the Bottled Sauces category is driven by Variety sauces, such as marinades, chilli sauces and Asian-ingredient sauces and Fountain’s continuous dedication to product development ensures that it is reaching out to the

disparate variety of tastes and ever changing marketplace trends.

Fountain also has a presence in the Tomato Paste category with its convenient no-waste sachets in a variety of flavours.

ACHIEVEMENTS

Fountain is one of Australia’s true heritage iconic brands. The glass bottle with the traditional label is what generations of Australians were brought up to associate with the dinner table. With an enviable reputation for providing quality sauces, Fountain is also the branded market leader in its category, with 22.7%² volume share and over 19.5 million bottles of Fountain sauce sold each year. In 2007, Fountain MAT sales grew by an impressive +\$2.8m², which was the highest branded value increase and \$1.6m ahead of the nearest competitor.

Fountain Tomato sauce is found in more kitchens, cupboards and fridges than any other sauce brand³ and Aussie households consume an impressive 6.8 million² litres of Fountain Tomato sauce each year. Australians love the rich, thick & flavourful taste of Fountain and their loyalty to the brand (33.2%³) is more than double that of the nearest competitor (14.6%). This trust and attachment to Fountain’s superior quality and taste has been built up for more than 100 years.

Whilst Fountain has recorded strong sales results on its core ranges, it has also continued to focus on developing products targeting growing market segments and has

achieved outstanding results with the launch of a range of 600mL Squeezeie sauces which sell \$10m² annually, are growing at +29.3%² and have achieved a strong No 2 market share position.

HISTORY

The Fountain brand was first registered in 1906 and has recently celebrated its 100th birthday.

The Australian popularity for Fountain Tomato sauce began in the 1950s and 1960s, with a radio campaign played during horse racing bulletins every Saturday afternoon.

In the 1960s, a range of additional Fountain sauces was launched including Steak, Mustard and Mint. Since that time, Fountain has been on a continuous course of refining, developing and expanding the product range available. It now has 16 different sauce flavours to ensure that Fountain’s quality products are relevant to the needs of today’s consumers.

In 2002, Fountain’s first Squeezeie range was launched. Fountain’s dedication to addressing the needs of emerging markets was manifested in the launch of Gluten Free Soy sauce in 2004, followed by an expansion of the Squeezeie range in 2005. During this year Fountain also modernised the brand’s logo and repackaged the range.

Today, Fountain is perceived as being a trusted, well known and loved brand, with a strong product quality reputation and arguably the best tasting tomato sauce available in the marketplace.

THE PRODUCT

Consumers have enjoyed the great taste of Fountain sauces for over 100 years and use them to add great flavours to Australia’s favourite meals every day. The brand has the widest flavour offering on the market, with 36 SKUs spanning 13 major





the Squeeze sauce offering with the launch of a smaller and unique 300mL pack, targeting 1-2 person households. In response to the growing demand for healthier alternatives, Fountain also launched a No Added Salt Tomato variant, which has been endorsed by the National Heart Foundation and carries the highly regarded Heart Tick.

Fountain's Variety Sauces continue to grow in popularity and were recently given a packaging facelift. The new labels feature a more streamlined and contemporary design with a strong focus on outstanding photography and clear variant differentiation and have attracted new users to the brand, with



sauce segments including Tomato, BBQ, Chilli, Steak and Soy, as well as offering numerous other Variety Sauces.

Fountain Tomato and Barbecue sauces are not only synonymous with family barbecues but are also used in a variety of ways, such as adding flavour to one of Australia's favourite meals – Spaghetti Bolognese – loved by kids and adults alike. Numerous Variety Sauce flavours, such as Mustard, Mint and Plum help fuel the creativity of today's consumers who are increasingly interested in experimenting with pork and seafood and learning more about authentic flavours & cuisines from all around the world.

Fountain sauces are not only contemporary in their flavour offering but are also represented in various packaging formats, such as glass and plastic Squeezies in response to consumers desiring products that are more convenient than ever before.

Fountain is dedicated to addressing consumers' needs and continuous improvement. Vast resources are dedicated to research and new product development to ensure that Fountain is delivering the best flavour solutions in the market. Fountain's Gluten Free and No Added Salt offerings are just some examples of this strong commitment.

RECENT DEVELOPMENTS

In 2004, Fountain launched a Gluten Free Soy sauce which is the No 1² selling SKU in unit terms (selling 1.1m bottles per annum²). Fountain continues to be a pioneer in what is now one of the fastest growing health trends; with 1 in 100 Australians being gluten intolerant⁴. Fountain has continued to focus its efforts in this area and has recently expanded its Gluten Free offer to include Spicy Red Sauce, Steak Sauce and has also developed an entire range of Gluten Free Marinades.

In late 2006, Fountain expanded



Fountain during winter and generated strong sales and market share increases. Fountain's hero variant, Tomato, achieved its highest market share in 9 years². The promotion has since been nominated for an APMA industry award for 'Best Activity Generating Brand Volume'.

BRAND VALUES

Fountain prides itself on being a true heritage brand that generations of Australians were brought up on. Consumers love and trust the superior quality and taste of Fountain sauces and their loyalty is a huge part of the brand's success.

Fountain has exciting plans to continue to drive category growth in the future and will continue to work closely with retailers and consumers to develop contemporary, innovative and high selling products that excite the consumer and deliver a superior taste experience.

MAT scan sales having increased by +\$343k² versus last year.

PROMOTION

Fountain has continued to invest heavily to drive category growth with 2 major campaigns in the past 12 months. The 'Summer Sizzle' campaign focused on increasing Marinade and Variety Sauce usage during the summer months by providing hints & tips on inspiring ways to use Fountain, supplemented with an on-pack consumer promotion and a TV and online campaign.

During winter, Fountain ran the 'Footy Frenzy' campaign, which has seen an overwhelming response from consumers with over 116,000 people entering the promotion. The promotion had a big impact in supermarkets across Australia and generated great word of mouth ensuring the success of future Footy Frenzy activities. This campaign had secured a confident number 1 share position for



¹ Source D&M Research Study Jan 07

² Source Aztec MAT data to 8/4/07

³ A.C. Nielsen Homescan MAT to 13/11/06, 30.6% penetration compared to 13.1% for MasterFoods

⁴ Source: Coeliac Society

THINGS YOU DIDN'T KNOW ABOUT FOUNTAIN

- The Australian popularity for Fountain Tomato Sauce began in the 1950s and 1960s, with a radio campaign played during horse racing bulletins every Saturday afternoon.
- Aussie households consume an impressive 6.8 million² litres of Fountain Tomato sauce each year.
- Fountain's Footy Frenzy promotion has been nominated for an APMA industry award for 'Best Activity Generating Brand Volume'.
- Fountain brand is called White Crow in Victoria and has very strong loyalty from the local consumers.