



THE MARKET

The water market in East Africa has undergone a transformation during the lifetime of the Keringet brand.

With few developed supplies of high quality water, and much of the population without potable water, the region's need for a safe supply is deep-seated. Alongside this growing need, East Africa has enjoyed rapid growth in its middle classes developing rising interest in the health-giving qualities of pure, natural mineral water.

Thus, from early resistance to the concept of buying bottled water, East Africa has moved into a prolonged period of market growth, spanning many classes of consumers.

Initial take-up by the tourist and leisure industries was followed by the later adoption of water dispensers as a normal feature of office premises and homes.

Bottled water is now a mainstream consumable within all middle and upper-income households, representing a market worth now many billions of shillings. However, the total market penetration remains low compared with global consumption of more than 7 gallons per person per year in the \$75bn bottled water market.

ACHIEVEMENTS

Keringet has actively pursued every possible mark of quality, and opportunity for competitive assessment of its water.

In 1995, it was awarded the highest quality mark by the Kenya Bureau of Standards, the Diamond Mark of Quality, and in the same year became the first water company in East Africa to enter the international 'blind taste' competition organised by the British Bottlers Association (England), where it earned a 'Diploma of Excellence' for taste, ahead of many international water companies.

It has since won a further seven annual awards from the BBI, including three gold medals and a silver medal for outstanding taste and packaging, and three further diplomas of excellence.

In 2002, it was the first Kenyan bottled water company to be awarded ISO 9001:2000



certification. In 2008, it further secured the ISO 22000:2005, in testament to its commitment to international best practice.

Its water has since earned Halal certification, and the company itself, Crown Foods Ltd, has again in 2010 been identified as one of the region's Top 100 mid-sized companies by the international management consultancy, KPMG.

In parallel, the company has developed one of the most technologically advanced production facilities in East Africa, investing \$12.5m in state-of-the-art equipment, infrastructure and staff development.

HISTORY

The Keringet success story is rooted in the vision and determination of the company's founder, Mr

Chandra Gohill. Born and raised in Kenya, Mr Gohill was educated in England, where he spent the early years of his career as Managing Director of his own textiles company. In 1982, with two degrees and many years of practical business experience, he returned to Kenya as a director of the family's soaps and detergents business.

With now a global perspective, and a desire to build a truly ground-breaking business in East Africa, he decided in 1988 to launch an entirely new venture based on the idea of developing the purest water in Kenya into a natural mineral water brand that could compete internationally.

With a huge interest and strong links with the expanding global health drinks industry, he was convinced the country could offer its own source of natural mineral water, which if developed to the highest standards, could achieve a position as an outstanding business in Africa.

It was an idea ahead of its time in a market where water was still viewed as a near-to-free commodity. Mr Gohill's commitment to developing a genuine natural mineral water drained his resources almost to the last penny, as he drew on international consultants and geologists to aid him in tracking down the perfect source and in developing it with state-of-the-art production methods.

The first samples of Mr Gohill's new water were drawn in early 1990 and sent to the Leicestershire County Council Regulatory Services in England for testing, where they met all microbiological and chemical parameters. The next two years were dedicated to continual testing to guarantee consistency, as a production facility was built to achieve bottling without human handling of the hills' purest waters.

The first bottle of Keringet water was sold in 1992, at the end of a four-year journey of development.

THE PRODUCT

The original Keringet 'Still' was launched in 0.5ltr, 1.0ltr and 1.5ltr bottles and targeted at travellers and the safari and beach-oriented travel industry.

Keringet 'Water Dispensers' were introduced



to satisfy the need for reliable hot and cold water and refreshment in both offices and homes, and were launched with returnable polycarbonate 18.9ltr bottles to ensure affordability. The growth in domestic reliance on Keringet subsequently saw the roll-out of Keringet 'Value Packs' into the nation's emerging supermarket chains, strapping six bottles of either 0.5lt, 1.0ltr or 1.5ltr together to offer price discounting for bulk.

Keringet 'Kids' was later introduced for children's lunch packs, offering multiple choices of coloured sports caps and innovative labels with games.

The next Keringet offspring was Keringet 'Sport', which addressed a whole new demand, as gyms and leisure clubs moved into fashion. The practical yet stylish bottle was launched with the first high flow sports cap on the market and a bottle designed for better grip and squeezability.

Keringet 'Sparkling' then brought to the stable a distinctive flavour, balanced blend of minerals and eloquent packaging.

Across the entire Keringet family, the outstanding product feature has been the quality of the water itself, which is naturally filtered as it percolates through the volcanic sand and rock of a confined aquifer. With a perfect PH balance and the added benefit of a balanced mineral composition, Keringet offers a uniquely clean and invigorating taste.

RECENT DEVELOPMENTS

In an increasingly sophisticated market enjoying a trend towards fine dining, Keringet's most recent product launch, Keringet Finest, has quickly emerged as a brand leader. Presenting Keringet's natural mineral water for the first time in glass like bottles, Finest has been designed to stand beside wines and decanters in uniquely shaped bottles of aqua-blue for still water and red for sparkling water.

Finest is now on permanent order from all



of the country's top hotels and restaurants, and meeting growing demand as a special order by caterers and event organizers.

With such a comprehensive product family now in place, the company's main focus in recent months has been regional expansion. It is now developing new partnerships to convert the long-term demand from East Africa's international and expatriate communities into mainstream market leadership.

This investment is a significant next step for the company in positioning Keringet as a top mineral water across Africa, and is currently a priority for the company.

It coincides with a parallel initiative to lead in promoting awareness of the environment and strong water management practice, with the launch of Keringet's 'Water for Life' campaign.

Having sponsored projects with the Red Cross and charities aiding street children, Keringet is now developing 'Water for Life' as a foundation geared towards mass education in the cultivation, harvesting and management of natural water resources to achieve sustainable development and sufficient clean water for the region's entire population.

PROMOTION

Keringet has worked hard to develop a brand that has been rooted in quality from the outset, and which has brought to the market a unique proposition.

The brand's emphasis on purity and the water's natural status have been supported through many press campaigns and the use of nationwide prime spots, to deliver marketing success typified by the launch of Keringet 'dispensers' with new installations reaching on average 50 new units per month from the year 2000.

Billboards have been key to the strategic placement of brand messages, such as the 2004 'Naturally perfect...' campaign, which appeared on billboards nationally supported by both radio and print media campaigns.

Keringet has additionally invested in strong brand association with health, sport and lifestyle, combining independently organized road shows across the region with the sponsorship of prominent sporting and cultural events, such as the ICC (International Cricket

Council) Knock-Out Trophy, the Nairobi Standard Chartered Marathon, Tusker Rugby Safari Sevens and concerts featuring international artists such as Sean Paul, Shaggy and Asha Bosly from India.

The company was appointed the 'official water supplier' for the East African Rally, which forms part of the IRC (motor sport) as well as the Kenya National Rally Championship, which has been part of one of the longest standing sporting events in East Africa. It has also for the last three

years sponsored the successful Keringet golf series and pool championships nationally.

Crown Foods Ltd has also developed an active role for the brand in CSR (corporate social responsibility) programs. With the region felling more trees than it plants, the Keringet team has started to develop arid fields with the Ministry of Forestry and Wildlife to encourage the restoration of Kenya's countryside, and has now launched the 'Water for Life' initiative, with specific emphasis on the development and preservation of water supplies. It supplies its own water for free to the communities surrounding the Molo production plant, and continues to seek out ways to expand and ensure the best possible water supplies for the region.

The company has also been the first bottled water supplier to offer its customers a recycling option by providing green bins for customers to recycle their empty Keringet bottles, which are collected for grinding into granules that are exported to China for conversion into fast moving consumer goods such as toys.

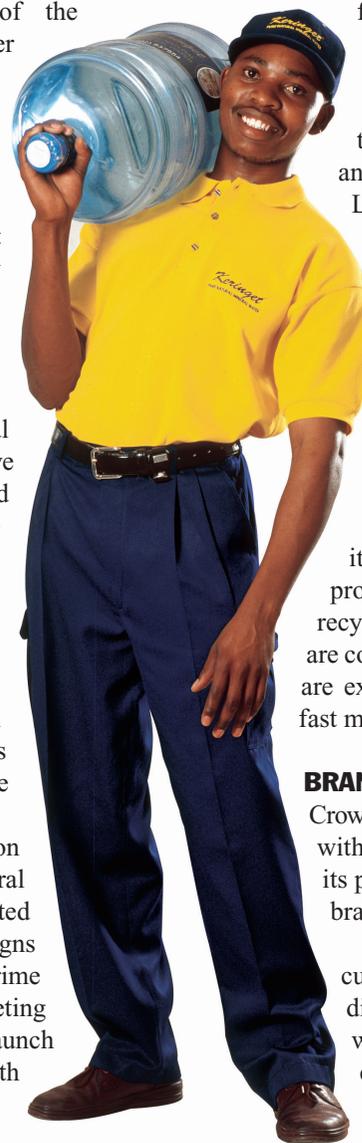
BRAND VALUES

Crown Foods Ltd is an ethics-based company, with its core values embedded into all of its production, stakeholder, customer and brand practices.

It has always been geared towards customer service, to the extent of directors still personally delivering water supplies when the need arises. Its commitment to testing, training and quality assurance extend throughout the company, and into the strategic vision for the brand.

From its conception, the company has sought to develop and present the purest nature of Kenya and has always believed that the brand's purpose must be to communicate all that is best about the country of its origin and to lead in enhancing respect, understanding and appreciation for Kenya's unique environment.

These values are summed in the brand's core principle, which is to be 'naturally perfect'.



THINGS YOU DIDN'T KNOW ABOUT KERINGET

- One litre of Keringet is sold every second.
- The original budget for starting the Keringet project was just £25,000. Keringet has been a brand built on research and commitment, rather than extensive opening capital.
- The word Keringet means 'underground source of pure water' in the Kalenjin language.