



MARKET

The biscuit market in Pakistan currently has a number of players but is led largely by two main companies, one of which is Continental Biscuits (Pvt.) Ltd, the manufacturers and marketers of the LU brand in Pakistan. Currently the biscuit market stands at a staggering Rs. 10 billion and its growing potential has attracted a number of companies into this market. It is a highly competitive industry owing largely to increasing number of companies, with thousands of small-scale manufacturers functioning along with others in the organised, large-scale sector.

The strength of Continental Biscuits and their brand LU is demonstrated by the fact that it stands far above all in this fiercely competitive market, with over 30 per cent market share.

ACHIEVEMENTS

LU has historically been one of the global pioneers in the biscuit industry and is currently the second largest brand in biscuits and cereals world-wide. In Pakistan this tradition has been upheld by Continental Biscuits (the company responsible for introducing and manufacturing LU in Pakistan in 1986). From the very inception, this global tradition of innovation (in both baking technology as well as marketing), customer focus and dynamism have enabled Continental Biscuits to strike the perfect balance between energy, pleasure, relaxation and active health against the backdrop of fast changing local trends and consumer preferences. It was the launch of innovative and dynamic brands like Prince, TUC and Candi in 1986 in a stagnant market that triggered the wave of growth we currently witness. Through glamorous and compelling advertising, which was a far cry from the biscuit advertising trends witnessed in those days, along with its range of unique, strongly positioned brands like Candi, TUC and Prince, LU managed to set a new benchmark of image, taste and quality by which all future development in this category would be judged.

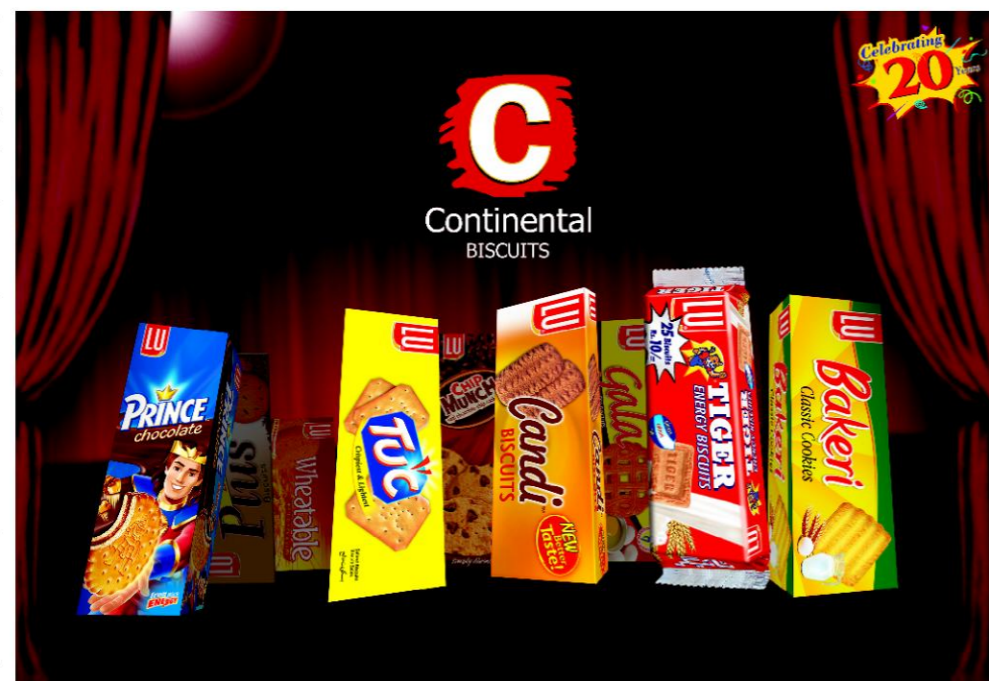
HISTORY

The story of LU in Pakistan began through the initiative of Mr. Hassan Ali Khan the founder of Continental Biscuits. He established a joint venture between CBL

and Generale Biscuits, global manufacturers of the LU range in September 1986. Since then Continental Biscuits has been a significant part of the process of modernising and upgrading the Pakistani biscuit industry. With the latest in superior technology, an innovative range of quality products and an excellent distribution network, CBL reigns supreme in the biscuit industry.

Following the joint venture agreement in September 1986, Pakistan's biscuit industry progressed towards modern automatic plants, efficient assembly lines and high quality, attractive packaging. Large-scale investments were made, technical know-how and professional expertise was imported, and over 200 employees were recruited. With the passage of time the number has steadily increased and now there are over 1100 people employed by Continental Biscuits. The LU brands currently marketed in Pakistan are therefore a product of both local and foreign expertise and serve as an excellent example of the heights that can be achieved through visionary entrepreneurship.

The brand name LU comes from the initials of the two main individuals responsible for its birth: Jean-Romain Lefevre and his wife and business partner Pauline Utile. Together they founded the Lefevre-Utile Biscuit Co. in Nantes, France in 1846. Their initials were initially used for various communications to eventually give birth to the identity of one of the most successful global biscuit brands today, LU. The founders' son, Louis Lefevre-Utile took over the company and eventually it was acquired by Generale Biscuit S.A. which in turn was sold to Groupe Danone in 1986.



ki Bakerari

THE PRODUCT

At the heart of Continental Biscuit's corporate philosophy is innovation of products, strategies and packaging. This passion with innovation has led Continental Biscuits to introduce the finest brands from the Danone portfolio in Pakistan. With their entry Continental Biscuits changed the face of the local biscuit market with the introduction of new tastes in the shape of biscuits like Candi, Prince, TUC and Gala to name a few.

For a market that was largely dominated by the taste of bakery biscuits, these brands brought a new taste for world class quality products that consumers love to this day. This tradition continues to date with products like Zeera Plus in the ingredient based category along with Bakeri, Bistiks, Tiger, Candi and Wheatable.

In the plain biscuits category LU's portfolio is spearheaded by Tiger, Bakeri and Gala, each of which has a loyal consumer base. Tiger, the tasty milk biscuit is a much loved biscuit that promises health and strength for children. A mass market brand with penetration into the lowest income groups, Tiger offers

health and nutrition to all sections of society and by that virtue is the only such brand in the industry. Bakeri too has emerged as a flagship brand in the plain biscuit category. With its soft bite and taste reminiscent of the bakery biscuits that are preferred by the local taste buds it enjoys a large consumer base. Bakeri's recent communication has been given a creative spin, which has resulted in the new campaign, "Bakeri Kee Bekerari." Candi, another brand in the Plain biscuits category, is one of the most innovative brands in the portfolio. The only brown sugar biscuit in Pakistan, Candi is loved both for its sweet taste as well as its unique, crunchy texture.

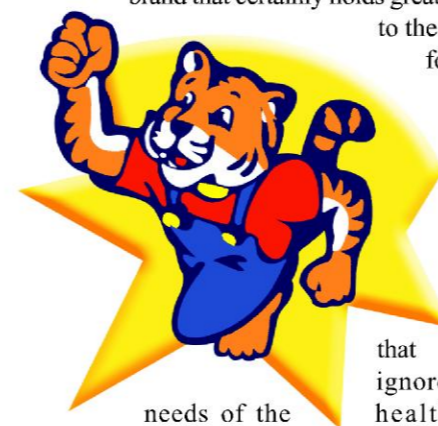
Prince by LU is one of the strongest and most loved brands in the sandwich cream biscuits category, enjoying both strong consumer loyalty as well as market share. Children relate to the Prince character as a dynamic saviour thereby enhancing the brand's appeal among an age group that's always looking for mentors and role models. The brand has now become synonymous with chocolate cream owing to the rich flavour that remains unmatched by any competitor.

In addition to the above is TUC, another category leader from LU. Light and crispy, TUC is loved by all and currently rules the salty biscuit segment as the number one cracker. Whether it's consumed with toppings or on its own, TUC is a great snack for all occasions.

RECENT DEVELOPMENTS

Continental Biscuits has continuously strived to bring in new and innovative products. To cater to the taste of different taste groups LU has continuously expanded its product portfolio over the last 20 years.

Keeping with this tradition, the company has recently launched two new products in different categories, namely Bistiks (a stick shaped egg based cookie) and Wheatable (High Fibre wheat biscuits). A relatively new entrant, Bistiks has been a welcome addition to the CBL portfolio and has created quite a buzz in the market. This is a brand that certainly holds great promise owing to the appeal it holds



for both children and adults alike. Wheatable too has come as a breath of fresh air in a market that largely ignores the special needs of the health conscious among society. Available in both High Fibre and Sugar Free variants, Wheatable is the ideal snack for those who prefer a healthy balanced diet or want to reduce their intake of sugar.

PROMOTIONS

The biscuits market is highly fragmented and competitive. To cope with this change Continental Biscuits has always been an innovator in its promotional campaigns, both ATL as well as BTL.

An excellent example of such BTL campaigns

is the recent activation on Tiger. The brand's promotional strategy is to work closely with branding activity to reinforce the values of the product and this was effectively communicated through a brand activation centred on the idea of a Jungle Adventure - "Kis Ka Tiger Jeetay Ga?" The strategy behind this was to give the brand idea of energy to life and let target audiences to experience the brand values and the brand promise in the most exciting manner. In this respect, an on-ground activity was launched targeting 110,000 school children in 864 schools across 10 towns of Pakistan. Prior to the event, hype was created in and around schools to ensure that each city visited buzz with energy in anticipation of "Kis Ka Tiger Jeetay Ga challenge."

The venue itself was constructed as an obstacle course and had tunnels, bridges and mountains through which children were challenged to play through successfully. The challenges brought out the competitive Tiger in every kid. Over 10,000 fabulous prizes were given to the winners - Tiger kids. In just three months, Tiger Jungle Adventure immersed consumers in a heavily engaging brand experience reinforcing the brand promise of Tiger.

In ATL as well the memorable campaigns for Candi (with the famous tag line "Candi Mein Who Khaas Baat Hai") and TUC (with its catchy jingle "Har Jaga Har Waqt Halka Phulka TUC") are remembered by all. Besides TUC jingles have very effectively been used a number of times by LU to achieve high recall with another example being the lyrically appealing campaigns for Gala ("Mehfil Ka Lutf Dobala"), Bakeri (with the bakerari campaign) and more recently, the re-launch of Candi ("Toh Candi Ho Jaye Aur Life Meethi Ho Jaye"). Besides jingles, campaigns for LU brands have often broken barriers and created trends keeping with the demands of the changing times. Cases in point would be the Candi campaigns (which have used youngsters and therefore appeal to that very hard-to-please generation) as well as the launch campaign of Bistiks, which, with its tag line "Biscuit Badal Gaye, Bistiks ban gaye" has won over many consumers and ChipMunch, which has won over many with its hip and happening TVC.

BRAND VALUES

The brand name LU symbolises quality and taste all the way. LU brands have found their way into the hearts and homes of people all over. Throughout the world, we ensure that people can grow, live better and thrive to be full by providing them daily with better food, a greater variety of tastes and healthier pleasures.

Continental Biscuits and LU have resolved to continue to spread fond memories, happiness and joy among people of all ages through their delightful products.



www.cbl.com.pk

THINGS YOU DIDN'T KNOW ABOUT LU

- The brand name LU was derived from the initials of the couple that launched the brand - Lefevre Utile.
- LU brands are manufactured by Continental Biscuits in Pakistan at a state-of-the-art factory located in Sukkur. The establishment of this factory has brought a great deal of prosperity to the city by creating jobs and the development of the area around the factory.
- LU, with Continental Biscuits, is currently celebrating 20 years in Pakistan.
- The snack pack (also referred to as the half roll) in biscuits was an innovation in SKUs brought to Pakistan for the first time by Continental Biscuits.
- The brand LU is now owned by Kraft Foods USA which acquired the brand globally from Danone Foods in 2007. Kraft Foods also holds a 49% share in Continental Biscuits Pakistan.