

# THE COFFEE CLUB®

## *The Coffee Club brewed strong growth in 2010*

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30 March 2011: Australia's largest home-grown café group The Coffee Club has finalised its 2010 financial year results showing a strong 16.6 per cent increase taking its global sales to \$264 million for the year.

Australia in particular reported a strong performance with almost 32 per cent growth in annual profits delivered from streamlined business operations and strong demand from coffee lovers looking for a reliable, high-quality café experience.

Thailand also performed exceptionally well with 300 per cent sales growth for 2010, fuelled by the opening of three new cafés, with a total of five now operating in the country.

The Coffee Club opened 25 cafés in 2010: three in New Zealand, three in Thailand and a further 19 in Australia.

The Coffee Club CEO James Nixon-Smith said 2010's strong sales growth and the number of new cafés opened was not a surprise.

"The growth The Coffee Club has experienced is testament to the quality of the brand and the business model we have developed," Mr Nixon-Smith said.

"Also, the strong increase in sales and number of successful new cafés we've opened signals an end to the stranglehold the global financial crisis has had over softer markets such as the retail and hospitality industry," he said.

The Coffee Club will focus the majority of its expansion in New South Wales, a state with one of the highest rates of coffee consumption per capita in Australia.

Mr Nixon-Smith said the strong 2010 sales results supported further growth opportunities for 2011.

"We will be entering the Chinese market in July this year with our first café opening in Guangzhou in the province of Guangdong, which is situated in southern China along the Pearl River.

"China contains fantastic growth potential simply because of the number of people living there.

"Despite our expansion into overseas markets, our primary focus will always be Australia.

"Australia is where we started, and it is also where we believe the majority of sophisticated coffee drinkers reside in the Asia Pacific region — that's why we see ample growth opportunities here," he said.

Mr Nixon-Smith said the challenge was not finding excellent new sites to further growth but finding suitable and passionate franchisees.

"We are actively recruiting new franchisees and have a lot of sites available for them which will prove to be an excellent investment as our sales growth figures indicate," he said.

The Coffee Club predicts it will continue to experience strong growth in 2011, with an estimated 17 per cent increase in sales and 40 new cafés opened by the end of the year.

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