

THE COFFEE CLUB®

The Coffee Club enters lucrative Chinese coffee market

27 June 2011: Australia's largest cafe group The Coffee Club will enter the emerging Chinese coffee drinking market this month, opening a cafe in the Yuexiu District in Guangzhou.

John Lazarou, Director of The Coffee Club, said now is the perfect time for the business to enter China, with a strong coffee culture growing in the country despite most Chinese traditionally drinking tea.

"With over 1.3 billion people, a growing middle class and general elevation of living standards, many tea drinkers are starting to switch to coffee to feel more cultured," Mr Lazarou said.

"Coffee drinking is seen by Chinese as a sign of western sophistication and therefore a luxurious commodity — with aspirant young professionals seeking it as part of a modern lifestyle.

"Reports indicated back in 2006 that Chinese coffee drinkers consumed over 45,000 tonnes of coffee beans, with some analysts expecting it to increase by 15 per cent a year," he said.*

The first cafe will be located in a vibrant economic corridor, seen as a major transport hub with nearby Hong Kong.

The Coffee Club has sold a major franchise licence to the Guangzhou Golden Swan Enterprise Group CO., LTD, which plan to open a further 30 cafes over the next 3 years.

"At the moment many Chinese coffee drinkers concentrate on where they are drinking coffee, and who they are drinking it with," Mr Lazarou said.

"Whilst some of the older generation have not developed a taste for it yet, the younger generation has developed a strong taste for quality coffee," he said.

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**Figures quoted in Asia Times http://www.atimes.com/atimes/China_Business/MC11Cb02.html*

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