

Drinks

INTERNATIONAL

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The No.1 choice for global drinks buyers

MARCH 2012

INSIDE THIS MONTH



BRANDS BY VALUE

FIND OUT WHICH GLOBAL BRANDS ARE TOP OF THE LEAGUE



WINE TOURISM

THE WINNERS



INDIAN WHISKY

THE SUB-CONTINENT IS HEAVING WITH WHISKY DRINKERS



Drinks INTERNATIONAL

Contents

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Enmeshed in the web

Having been toiling over a feature on Indian whisky, it's made me realise just how much information is unavailable to us.

On an almost daily basis, we remark: "What did we do before the internet?" Go down to the library? Ring someone. Google, Yahoo! and Wikipedia have made our lives much easier in getting information.

Nevertheless, there are gaps and not everything is necessarily what it seems. I attempted to find out as much as possible about the Indian spirits market and Indian whisky in particular. But it has been difficult.

India's big player, United Spirits, did come through with the goods. But despite requests to the other major players, I had to resort to pulling off information from company websites and then slashing and burning to cut the hyperbole and get down to the nitty gritty.

It goes to show there are a lot of brands, some of them huge, that are relatively unknown and do not appear to show any interest in being better known beyond their domestic borders.

Last year, I tried to get information from two Chinese brands, Kweichow and Wuliangye, which popped up in Brand Finance's global top 10 brands by valuation. Nothing. But maybe I'm taking it for granted that they would want to tell the world how big they are.

It may seem strange, but maybe we have to recalibrate every bit as much as companies in other countries and cultures will have to. Perhaps we need to think about different ways of doing things – starting with reassessing our awareness of regional cultural differences.

We may be operating in a global village these days, but villages can be inward-looking.

Christian Davis *Editor*



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Alan Lodge – RIP

It is with great sadness we report the death of Alan Lodge, news and website editor for *The Drinks Business* and deputy editor for *The Spirits Business*. He was just 29 and died of a brain haemorrhage. Everyone liked Alan. His impish sense of humour, those piercing eyes. He will be missed and our thoughts go out to his family, friends and colleagues.



Havana Club posts disappointing results

Pernod Ricard's CEO Pierre Pringuet has branded Havana Club's flat half-year sales growth as "disappointing".

The brand, which is a joint venture with Corporación Cuba Ron, has historically shown double-digit growth but in the half-year leading to December 2011 the brand suffered in its key markets of Italy, Spain and Chile – where disruption was caused by a change of distributor.

Pringuet, who has "no doubt Havana Club will return to double-digit growth" but would not be drawn on a timeframe, has also announced the Spanish market launch of Ritual (pictured) by Havana Club.

He said the new "smoother" expression would take on leading brands in Spain, such as Brugal, and the "mixable" style of rum would "appeal to men and women".



Asian demand drives cognac sales increase

Annual sales of cognac have hit €2 billion thanks to a surge in XO and VSOP sales in the Far East, says the Cognac Bureau (BNIC).

Total sales volume increased 6.4% in 2011 to more than 18 million 9-litre cases, of which the Far East accounted for 35.8%, having grown 14.4% during the period.

The BNIC has reported that XO was up 15.3% and VSOP rose 7.9% during 2011.

China was an important driver of the Far East region's growth, recording a volume increase of 20.1% over the year to 2.5 million 9-litre cases.

The category's second largest region, NAFTA (the US, Canada and Mexico) – which makes up 31.2% of volume – showed an increase of 3.2% with the US remaining the number one market with sales of 5.4 million cases.

Sales in Europe – 28.8% of total volume – were stable, according to the BNIC.

Industry cheered as growth bounces back

Many of the industry's drinks groups have released half-year and full year financial results. Healthy volume growth was reported by Pernod Ricard, Diageo, Beam Inc and Heineken, while Treasury Wine Estates registered growth in value terms. Here's the round-up.

Pernod Ricard registered an 11% increase in sales and organic profit of +17% in the half-year ending December 31, 2011. Growth was driven by emerging markets – now constituting 39% of volumes – and the performance of its top 14 global brands which included Royal Salute (+27% in volume), Jameson (+20%), Perrier-Jouët (+18%), The Glenlivet (+14%), Chivas Regal (+12%) and Martell (+10%). Kahlua (-2%) and Havana Club (0%) were the only top 14 brands to not show growth.

In the same period, **Diageo** delivered 3% volume growth and 7% organic net sales increase. The movers among its strategic brands were Ciroc (+47% in volume), Bushmills (+17%), Ketel One (+11%), Johnnie Walker (+8%), Smirnoff (+7%), Captain Morgan (+7%) and Tanqueray (+6%). The group's down-trading brands included Jose Cuevo (-7%), Baileys and Royal Crown (both -3%). Emerging markets – which accounts for almost 40% of Diageo's sales – was declared the principal driver.

Heineken's 2011 profits stood at €1.5 billion,

with revenue growing 3.6% and net profits by 9.2% before one-offs. Group beer volume increased 3.6% with growth in all regions "driving global market share gains". Heineken said it expects to benefit from continued positive growth momentum in higher growth economies and from revenue enhancing initiatives in developed markets.

Treasury Wine Estates, reported half-year profits of AUS\$58.6m before one-offs for H1 of the 2011/2012 fiscal year. The owner of Penfolds, Wolf Blass, Lindemans and Rosemount said overall volume was down 1.1m cases, or 6.2%, mostly due to the UK market. Growth came from increasing net sales revenue per case by \$1.83 or 3.7% through selective price increases and "mix changes". CEO David Dearie, said: "We are focused on growing volume in the sectors where we see sustainable longer term profits and we are therefore prepared to walk away from unprofitable volume."

Beam Inc, which owns Jim Beam, Maker's Mark, Sauza, Canadian Club and Courvoisier, has reported full-year net sales increases of 8%. Net sales stood at \$2.3 billion (excluding excise taxes) compared to \$2.1bn in 2010.

Beam president and CEO Matt Shattock said: "We see Skinnygirl cocktails and the Cooley Irish whiskey brands as excellent platforms for long-term value creation."

Gruppo Campari planning US bottling facility

Gruppo Campari is to build a \$44m bottling plant at the Wild Turkey distillery in Kentucky, US.

The site, planned for completion by 2013, will have a 4 million 9-litre cases capacity to provide bottling and packaging for all of Gruppo Campari's US-distilled spirits brands, including Wild Turkey bourbon and Skyy vodka.

The Commonwealth of Kentucky has approved the proposal, offering up to \$2.35m in incentives.

Bob Kunze-Concewitz, CEO of Gruppo Campari, said: "This gives us the ownership of the production process for our Wild Turkey brands in one location, while also housing the packaging of our largest US-based brand, Skyy vodka."

News In Brief

Industry stories from around the globe

Wines of Portugal has announced an annual £500,000 investment into UK marketing activities to achieve an 8% uplift in sales over three years. WOP ambassadors will aim to engage with the trade and consumers in the UK – a key market along with Brazil and the US.

Scotch whisky producer Isle of Arran Distillers has furthered its Icons of Arran series with the global launch of The Eagle. The single malt is limited to 6,000 bottles and is a blend of 1999-distilled whiskies from ex-bourbon and sherry barrels.

Patrón Spirits International has introduced XO Café, its 35% blend of silver tequila and coffee, to China following an agreement with the Shanghai-based Telford Wine & Spirits. It will be channelled through restaurants, bars, clubs, hotels and premium retail locations in 'key' cities.

Austrian wine exports in 2011 achieved a record €126m, an increase of 2.6%. Export volumes stood at 46 million litres, a 25% drop, but value increase meant the average price per litre rose from €1.98 in 2010 to €2.71.

Bacardi prepares rum anniversary



Bacardi Global Travel Retail is to celebrate the 150th anniversary of Bacardi rum with a 12-month programme of promotional activities.

One of the highlights of the celebrations is the launch at the IAADFS show of Ron Bacardi de Maestros de Ron Vintage MMXII, an ultra-premium limited-edition rum priced at \$2,000. Presented in a hand-blown, 50cl crystal decanter, the new rum is 20 years old and has been finished in 60-year-old cognac barrels.

Ron Bacardi de Maestros de Ron Vintage MMXII will be available at selected international airport shops.

Bacardi Global Travel Retail regional director Americas Leigh Irvine said Puerto Rico's San Juan and Miami international airports have already hosted major activations to celebrate the rum's anniversary this year. "At San Juan's Luis Muñoz Marín international airport... 3D Bacardi bats have taken up residence on the airport concourse," he said.

"These iconic bats are decorated with photography and advertisements celebrating the [Bacardi] brand's rich heritage, as well as contemporary imagery to reflect how Bacardi is still bringing people together today."



Jack Daniel's honours master distillers

Brown-Forman will unveil the travel-retail exclusive Jack Daniel's Master Distillers Collection at the IAADFS show in Orlando this month.

The new Collection honours the seven master distillers who have worked at the distillery since Jack Daniel founded it in 1866. Each year, a distiller will feature on the packaging, starting with Daniel and ending with current distiller, Jeff Arnett (pictured).

"This will be a terrific addition to the Jack Daniel's travel retail family," said Brown-Forman managing director Jim Perry.



Trade bodies unite to promote best practice

The European Travel Retail Council (ETRC) and the Asia Pacific Travel Retail Association (APTRA), have jointly introduced self-regulatory codes of conduct for the sale of alcohol products in duty-free and travel retail.

Both sets of codes introduce a set of working practices for the sale, promotion and marketing of alcohol in duty-free and travel retail, and encourage responsible retailing and adult consumption. Although similar in content, the ETRC and APTRA claim two separate codes were needed because of different regional regulatory requirements and cultural sensitivities towards the consumption of alcohol.

Examples of stipulations within the codes include the need for a responsible drinking messages on all in-store commercial communications; strict enforcement of national age limits for the sale of alcohol; not displaying alcohol next to areas of the store aimed at children; and ensuring sampling activities are not targeted at either minors or pregnant women.

A number of major liquor suppliers have already endorsed the codes such as Diageo Global Travel and Middle East; Pernod Ricard Travel Retail, Rémy Cointreau Global Travel Retail and The Edrington Group.

Commenting on the new Codes, APTRA president Sunil Tuli said: "I hope this initiative will be the first of many, leading to greater collaboration between regional associations to promote and protect our industry."

First person

Mikko Haakana, manager of Wine & View and Fly Inn restaurant, Helsinki airport



What do you like most about your job?

Our customers — there's nothing more satisfying than serving happy travellers and wine lovers. One of our regular customers is Ms Essi Avellan, the first master of wine from Finland and the managing editor of Fine Champagne magazine, and it's really rewarding to get positive feedback from her.

What are the major differences between working in an airport wine bar and one located downtown?

The times we're busy. In the city, customers usually come in the evening, but here at the airport we might have lots of customers at 6am. We can have periods when we're unexpectedly very busy, especially if there are flight delays.

Who has had the biggest influence on your career to date?

My colleagues at gastronomic restaurants where I used to work in downtown Helsinki, places such as Kämp, Nokka, Sipuli and Macu.

Wine & View has a very broad range of 1,000 wines in stock — what are some of the most popular styles and varietals in demand?

Our champagne selection, which offers a wide range of styles from blanc de blanc to small producers' blanc de noirs made from pinot meunier, is very popular.

Seasonal promotions mean we sell a large number of particular types, such as the blanc de blanc during summer. Our fine wine list means our customers can taste special and rare vintages which they normally couldn't find in stores, for example Hill of Grace 1985, Lafite Rothschild 1982 and Gaja Barbaresco 1969.

What are some of the rarest and most unusual wines you have for sale at the airport?

During my first year at the airport we had an awesome Bordeaux, Château Latour 1982, which had a 100% review in Wine Spectator magazine. At the moment we have a

thrilling 100 Year Old PX sherry from the house of Barbadillo.

How knowledgeable do you find travellers are about wine?

Travellers have very good knowledge about wines, and they do know what they're looking for. Finnish drinking style has changed considerably over the past 10 years and has moved more towards wines rather than other alcoholic beverages.

Aside from Wine & View, what's your favourite bar and why?

There is a great cocktail bar called Grotesk in downtown Helsinki — they have a good selection of cocktails and wines. The bartenders have won a number of prizes in a range of trade competitions and they are very creative mixologists.

If you could choose, what would you be doing 10 years from now?

I hope to stay in the restaurant business in Finland, or abroad, maybe visiting the UK as an ambassador for the Wine & View concept.

A month in travel retail



The first major event in the duty-free industry calendar, the IAADFS Show of the Americas 2012, takes place from March 11-14 this month at the vast Orlando World Center Marriott hotel (pictured below) in sunny Florida. The mood among the many buyers, distributors and suppliers attending this most laidback of trade shows is almost certain to be considerably brighter than in recent years.

The revival of the US economy and rising passenger numbers at North American airports are certainly helping to put smiles back on industry faces. The growing US cruise ship pouring and retail business is in good shape, but business on both the north and southern US borders continues to be tough for a variety of reasons, which are conspiring to reduce the number of travellers crossing either border.

A closer analysis reveals that the growing number of high-spending Latin American and Asian travellers passing through the region are really what is driving premium duty-free liquor sales at many North American airport hubs. West Coast airports such as Los Angeles and San Francisco are benefiting from an influx of Chinese travellers, as is Canada's Vancouver airport.

The Chinese are spending large sums on premium scotch whiskies and high-end cognacs, while at East Coast hubs such as Miami international and New York JFK

airports, retailers are seeing large sales increases on blended 12 Year Old scotch whiskies, which are being driven by travellers from Brazil and other up-and-coming Latin American countries.

It is a pleasing picture to be sure, but there remains a long-term disconnect between North American travel-retail and native travellers. They continue to be sceptical that duty-free liquor represents a good-value proposition compared with the domestic market. The poor design of many US airport retail malls and continuing security restrictions on liquids in hand luggage don't help, but what many observers argue is needed are more exclusive products and brands that aren't commonly available domestically.

One company exhibiting at Orlando for the first time this year, UK-based distributor World of Patria, aims to fill this gap with a number of quirky brands, which it is introducing to the Americas duty-free market for the first time. The company's

With Drinks International's specialist correspondent, Joe Bates



growing portfolio includes the award-winning Chase English Potato Vodka, Follador prosecco, Wemyss vatted malts, and The Last Drop, which specialises in rare spirits from long-silent distilleries.

Big brands continue to be the cornerstone of the duty-free trade, however, and brands don't come much bigger than Bacardi, which is celebrating its 150th anniversary this year.

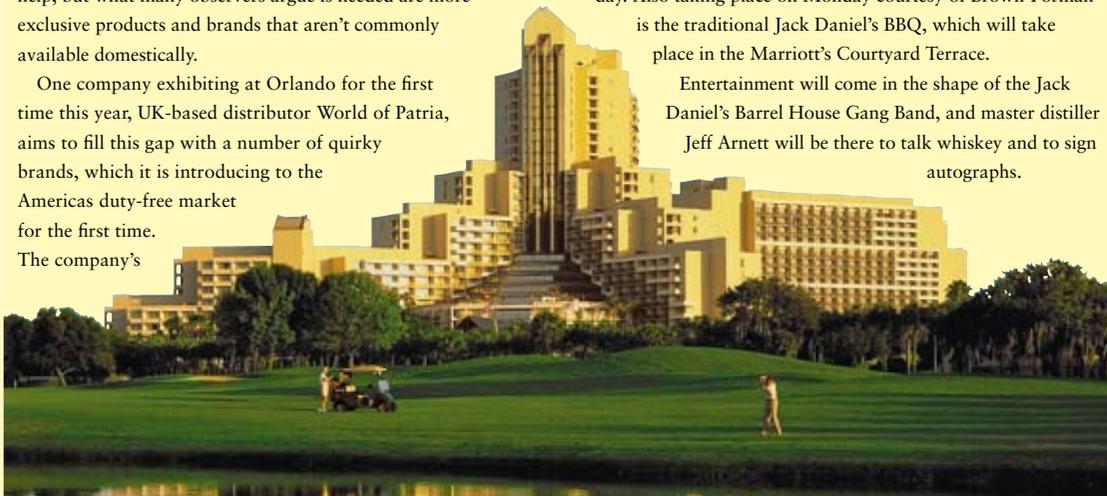
At Orlando, Bacardi Global Travel Retail will be unveiling a new limited-edition \$2,000 decanter of rare Bacardi rum to mark the start of a year-long programme of promotional events to mark the milestone.

As ever, cocktail parties and launch parties won't be in short supply at IAADFS. For instance, Pernod Ricard Travel Retail Americas will be throwing parties to celebrate

both the phenomenal success of Jameson whiskey in North America, and the launch of the super-premium Absolut Elyx. At the nearby Gaylord Palms hotel, The Edrington Group will be hosting an evening dedicated to Brugal rum, which will be hosted by the brand's master blender Gustavo Ortega.

Not to be outdone, Brown-Forman's el Jimador tequila brand is sponsoring an industry-wide soccer match on Sunday March 11, the traditional pre-show sports day, as well as a less strenuous duty-free table soccer tournament the following day. Also taking place on Monday courtesy of Brown-Forman is the traditional Jack Daniel's BBQ, which will take place in the Marriott's Courtyard Terrace.

Entertainment will come in the shape of the Jack Daniel's Barrel House Gang Band, and master distiller Jeff Arnett will be there to talk whiskey and to sign autographs.



In Brief

Ian Macleod Distillers has appointed Lars Bruns as regional director of travel retail. Hamburg-based Bruns will have responsibility for key European travel-retail accounts. Bruns will report to travel retail director Andy Lane.

Martell cognac is marking the centenary of its Cordon Bleu marque with the launch of a limited-edition gift pack in high-profile Asian duty-free shops. The Martell Cordon Bleu Centenary Edition features a blue wooden case containing a blue lacquered bottle of Martell Cordon Bleu and a miniature bottle of 100% Borderies Cognac blended by cellar master Benoit Fil.



Dutch flag carrier KLM has resumed the onboard sale of duty-free liquor after an absence of 28 years. A limited selection of premium spirits is available on flights to non-EU intercontinental destinations. A selection of wines and spirits are available for pre-order on the airline's website.

According to the Canadian Border Services Agency, sales of duty-free liquor and wine at Canadian airport stores rose 15.77% in 2011 to reach C\$53.1m. In contrast, liquor sales at Canadian border shops fell 2.77% to C\$52.8m.

Belgian-based duty-free drinks distributor Criollo Supreme Brands has been appointed the European travel-retail distributor for bourbon brand Jefferson's and newly launched Sauternes wine brand Caprice.

Rémy Cointreau Global Travel Retail (GTR) has named Anne-Laure Chandèsris-Saunier as GTR Europe, Middle East and Africa marketing manager.

NATURALLY UNIQUE

LONGUEVILLE HOUSE CIDER/BRANDY

BRAND OWNER William O'Callaghan

RRP €3.99-€4.50/€25.00

MARKETS Ireland (exports to international markets pending)

CONTACT William O'Callaghan, info@longuevillehouse.ie

County Cork-based hotel Longueville House has launched a premium cider and apple brandy to the Irish market. The 500ml medium-dry Longueville House Cider is 5% abv, while the 500ml brandy is 40% abv and is said to be Ireland's only apple brandy.

William and Aisling O'Callaghan are behind the drinks, producing both from the hotel's land in Mallow, County Cork. While the current focus is the home market, the O'Callaghans plan to roll out the brand to international markets. According to William O'Callaghan, no colourings, additives or preservatives are used at any stage of production.

He said: "Longueville House Cider is a medium-dry, natural, thirst-quenching drink and is best enjoyed served chilled, no ice required."



LUXURIOUS

APPLETON ESTATE 21 YEAR OLD JAMAICAN RUM

BRAND OWNER J Wray & Nephew

RRP £190, \$300, €225

MARKETS Global

CONTACT info@appletonestate.com, +44 20 7953 3808

Appleton Estate 21 Year Old Jamaica Rum has received a package upgrade. According to managing director Paul Henriques, the upgrade is an "evolutionary one in keeping with Appleton Estate 21 Year Old Jamaica Rum's luxury credentials".

Appleton Estate 21 Year Old Jamaica Rum is a once-a-year limited release that will be sold on an allocation basis and each bottle will be numbered on the foot label. Each bottle comes with a certificate of ageing signed by master blender Joy Spence.



PREMIUM PERFECTION



ABBOTTS & DELAUNAY

BRAND OWNER Badet Clement

MARKETS Germany, Belgium and continental Europe

RRP €9.90, £11.50, AU\$19.99

CONTACT Joe Minerva, Vinimpo +44 1932 827150, jm@vinimpo.co.uk

Abbots & Delaunay is the new top-end collection of AOC wines from southern French specialists Badet Clément. Created by winemaker and dedicated Languedoc expert Laurent Delaunay, the aim is for the brand to become the benchmark for top-end wines from the Languedoc-Roussillon.

The collection consists of three premium quality Reserve AOC wines, Minervois, Corbières and Côtes du Roussillon, and four quality AOC wines in the Clouds and Winds range, Cumulo Nimbus Minervois, Alto Stratus Carignan, Boreas Faugères and Zephyr Limoux.

LIMITED EDITION

CUTTY SARK TAM O'SHANTER 25 YEAR OLD

BRAND OWNER The Edrington Group

RRP \$329/£199

MARKETS Global travel retail

CONTACT Wendy Harries Jones, wharriesjones@edrington.co.uk

This 5,000-bottle limited edition, which is 46.5% blended scotch whisky, is named after a work penned by Scottish poet Robert Burns in 1790.

It was chosen because the name Cutty Sark — which in 1869 became the name of the ship the scotch brand took its name from — was first referred to in the poem Tam O'Shanter. The design features a scene from the poem and incorporates a wax closure with a depiction of Tam O'Shanter's face.

According to The Edrington Group, the design was inspired by Alexander Goudie, a Scottish, figurative artist. The bottle is presented in an oak gift box, featuring a 134-page book telling the story of Tam O'Shanter.

Jason Craig, brand controller of Cutty Sark in the US, said: "Our master blender Kirsteen Campbell has brought a darker edge to our award winning 25-year-old blend, echoing the sinister imagery of the Goudie artwork, which stays true to the adventurous spirit of the Cutty Sark brand."



ADNAMS MORELLO CHERRY LIQUEUR

BRAND OWNER Adnams

RRP £14.99

MARKETS UK and international

CONTACT callcentresales@adnams.co.uk

Available in 35cl bottles, Adams' 25% abv Morello Cherry liqueur joins Limoncello, Sloe Gin and Winter Spiced liqueurs, which were all released last year.

John McCarthy, Adnams' head distiller, said: "To make the cherry liqueur we soaked a mixture of morello cherries and sugar in our award-winning Copper House Barley Vodka and left it to mature for five weeks. Keeping to traditional methods, we have produced a luxurious, sweet and fruity cherry liqueur that's retained the essence of the sour morello cherry."

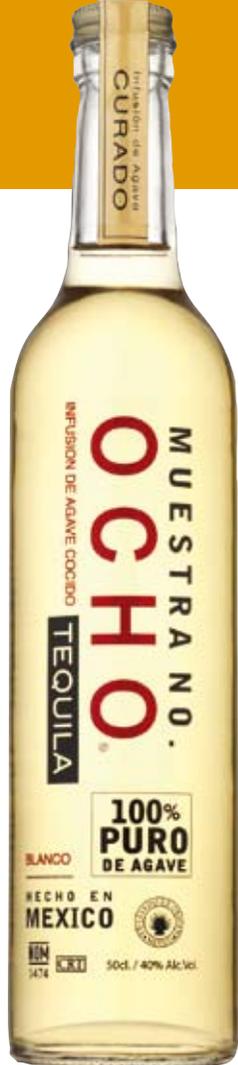
To mark the launch, the English brewer and distiller had London's Hawksmoor bartender Max Riesebieter and staff mixologist Lukasz Juszcak create Morello Zest, a citrus drink made with cherry liqueur, cloudy lemonade and vodka, and the Sole Bay Sling, a fruity cocktail based on the classic Gin Sling.



FRUITY

INFORMATION

Products launched within the last two months are eligible for inclusion within this section. Please submit your products for consideration to: christian.davis@drinkinf.com



GOLDEN SPIRITS



OCHO CURADO

BRAND OWNER Ocho

RRP £19.95 (50cl, 40% abv)

MARKETS UK. To be followed by Australia, France and the US.

CONTACT www.caskiquidmarketing.com

Tomas Estes, tequila ambassador and creator and proprietor of tequila Ocho, introduces a new concept to the drinks world: an infusion of 100% agave Ocho blanco tequila with pure cooked agave fibres. Curado is the first of its kind, a pale golden spirit that has an exceptionally full and complex agave flavour.

In 2009, Estes infused his own-brand 100% agave single estate Ocho Blanco tequila with natural cooked agave. It produced a 'rich, earthy' flavour.

With the help of Stefano Francavilla, Sophie Decobecq and Charles Vexenat, Estes began mixing and blending combinations of tequila and cooked agave until they found a ratio they were happy with.

Only 460 litres of Curado have been made so far, with London the first port of call.

LUXARDO PEAR AND LUXARDO COLA

BRAND OWNER Luxardo

RRP £16-£19

MARKETS UK, rolling out to international markets

CONTACT Cellar Trends, +44 (0)1283 217703, sales@cellartrends.co.uk

Luxardo's 38% abv Pear and Cola variants are available initially to the UK, in both the on and off-trade. They join the Italian sambuca brand's existing flavoured range. The new brands will be promoted in the UK by Cellar Trends with an emphasis on serves such as chilled shots, layered cocktail shots — named 'shotails' — and 'simple' long mixed drinks.

Craig Chapman, brand manager for Luxardo at Cellar Trends, said: "Our bold new Pear and Cola add excitement to our sambuca range. They are distinct from many other flavoured sambucas because they are premium, full-strength products and can generate stronger margins. The taste and usage is very different from the lower abv products which fall outside EU regulations for sambuca."



BOLD FLAVOURS

SWEDE DREAMS

RHUBY

BRAND OWNER Ylva Binder

RRP £28, \$39, €31

MARKETS Sweden, the UK. Travel retail in Spain, Germany and the US.

CONTACT Coe Vintners

Produced in Sweden, this 20% abv additive-free rhubarb liqueur from Sweden is available in 70cl and 75cl (the US) sizes, with 50cl bottles under development. It is the brainchild of Ylva Binder who has worked with vodka brands such as Grey Goose, Absolut and Svensk Vodka. Distribution is currently restricted to the Swedish Systembolaget stores and the UK's Coe Vintners, but deals in other markets, notably the US, are underway.



COMPLEX ATLANTICO RUM

BRAND OWNER Alebrand Spirits

RRP Private Cask: \$34.99, €26;

Reserva: \$24.99, €19;

Platino \$19.99, €15

MARKETS Americas and Europe

CONTACT Tom Rothuizen, tomrothuizen@monarqgroup.com

Atlantico rum is described as a handcrafted, complex, flavourful, super-premium rum.

The Dominican rum comes in three varieties: Private Cask, Reserva and Platino. All 40% abv.

The brand has partnered with Spanish singer-songwriter Enrique Iglesias.



PININO

BRAND OWNER Andrea and Hannes Gamon, Silvia and Max Hernández

RRP €180, £149.52 (for six bottles excl. VAT), \$238

MARKETS Global

CONTACT vinum@vinum.co.uk, +44 208 891 6010

Andrea and Hannes Gamon and Silvia and Max Hernández — former colleagues in the fashion industry — bought the small winery Il Pinino in the north-east of Montalcino in Italy to produce Brunello.

They want to position Pinino among the top wineries of the region. The Pinino Brunello di Montalcino is described as dark ruby-red and tastes full, round and silky with lots of aromas of blackberry and plum. Full-bodied elegance with fine tannins and spicy oak-notes in the finish.



FULL-BODIED



The world's biggest party

With millions of people around the world ready to raise a glass on March 17, **Lucy Britner** finds out what the drinks companies have got planned

Jameson expects to reach 50 million people

Religious festivals aside, St Patrick's Day is one of the most widely celebrated events on the planet. According to Jameson international brand director Nick Blacknell, 70 million people around the world claim Irish heritage – or belong to the “Irish Diaspora”, as he puts it.

The Irish whiskey power brand, along with Diageo's Black Stuff are, of course, pulling out all the stops for March 17.

Blacknell says Jameson has been “doing St Patrick's Day” for about a decade – including the global broadcast which features local radio stations from around the world, who come to the old distillery in Dublin to broadcast the spirit of the festivities to their home markets. This year, indie band Razorlight will play at a Jameson party in Dublin, with live link-ups to other parties around the world, including Dubai and Sofia.

Jameson estimates that the radio broadcasts will reach 50 million listeners, including a large proportion in Jameson's number one market, the US. The brand is also to roll out its limited-edition St Patrick's Day bottle, created by Irish designer Paul Daly (pictured below). It first appeared in 2011 and this year it will go to 30 markets including Russia, Spain and Australia. The bottle design was inspired by Celtic illustrations in The Book of Kells.

Blacknell says the culture of the Irish pub has helped spread the popularity of the day, along with the popularity of the brand and the Irish people in Jameson's US stronghold.

Jameson and ginger will be the key serve and the brand is also encouraging people to come up with their own serves via social media sites.

Guinness targets new world record

From whiskey to stout, Diageo has announced big, friendly plans for St Pat's. The aim is to set a new Guinness World Record (GWR) title for the friendliest day of the year.

This is the first time that the Guinness and GWR brands have worked together since Diageo sold GWR in 2001.



EVERY YEAR, ST PATRICK'S DAY IS CELEBRATED BY MILLIONS OF PEOPLE AROUND THE WORLD

FERGAL MURRAY GUINNESS



Guinness is hoping St Patrick's Day will take the world record for Friendliest Day

Fergal Murray, Guinness master brewer, says: “Every year, St Patrick's Day is celebrated by millions of people all around the world as a special occasion imbued with the spirit of true Irish friendliness.”

To take part in setting this world record, friendly folk can make an online pledge (via Facebook or www.guinness.com) or join a St Patrick's Day party to celebrate true Irish friendliness.

To successfully set the world record, on March 17, GWR adjudicators will be stationed at Guinness events around the globe to count the number of people celebrating. If successful, GWR will officially confirm that St Patrick's Day is “The Friendliest Day of the Year”.

William Grant investment boosts Tullamore Dew

William Grant & Sons' Irish whiskey brand Tullamore Dew is currently enjoying a “multi-million dollar investment” after it was acquired by William Grant in 2010.

If you're wondering how to drink it on St Patrick's Day, there are a couple of key serves below. **D1**

St Patrick's Day tipples

Tully Sour

2 parts Tullamore Dew Irish Whiskey
1 part sour mix

Shake with ice and strain into a rocks glass.
Garnish for a lime or lemon wheel.

St Patrick's Day Tully

1 measure of Tullamore Dew Irish Whiskey
Lemonade
A dash of lime cordial
Lemon wedge

Into your ice-filled highball glass pour a measure of Tullamore Dew.

Top with Lemonade. Add a dash of lime cordial, a lemon wedge and serve. Glasses up!

Is lightweight the way to go?

Tesco has moved one of its champagnes to lightweight bottles, but should other brands follow suit? **James Boulton** explores whether champagne producers can embrace sustainability without damaging their products' premium status

Tesco's recent pledge to move to a lightweight bottle for its De Vallois Champagne is a bold move in the champagne sector, but with the backing of the Comité Interprofessionnel du Vin de Champagne (CIVC) it could yet be one that similar producers follow.

One of the key issues for the traditional champagne sector is cost. While many consumers still buy into the history and quality of the big champagne brands, a large percentage of the champagne-buying market has become far more open to sampling other sparkling wines from around the world – cava and prosecco are now much more accepted in this category as are some of the Australian and Californian sparkling wines.

Probably more than any other drinks brand, champagne has a very real perceived value to consumers that has been cultivated over centuries. But even so, it's become an increasingly tough ask for consumers to pay French champagne prices. Faced with this it has been essential for the champagne producers to maintain the perceived value of their brands with the consumer.

A pressing issue

Every manufacturer is under pressure to show their sustainability credentials, and every PLC is under even more pressure. For the large, global drinks brands this is something they are increasingly taking seriously, and they have a key role to play if sustainable practices are to be introduced across the industry.

In the absence of any government directive, it's these larger brands that need to take on the mantle of the forebears for sustainability. They need to be the ones setting the pace and only then will others across the drinks industry follow. But it's something that needs to encompass the whole manufacturing process, and not just be about making your label from recycled paper. Once this becomes part of what people buy into about a brand, then consumers will turn away from the brands that aren't doing this.

Undoubtedly lightweight glass can have a huge environmental impact, and it also has a substantial cost implication in terms of shipping product around the world. However, certainly with champagne, part of the brand value



comes from the bottling; although there are some variations, champagne is associated with one shape and style of bottle.

So, in terms of brand perception there is still a competitive advantage to be had from maintaining how the product looks, feels and is perceived, and this cannot be devalued in any way.

Level playing field

Changing the style or the perceived quality of the glass the bottle is made of is something the more prestigious brands will need to take very seriously. At the end of the day any decision needs to take into account the effect on sales and brand longevity.

For a move like this to be carried through successfully there needs to be a level playing field across the market – by this I mean every producer needs to be bound by the same limits so as to remove the ability to gain competitive advantage in terms of brand presentation. There is evidence of governments deciding that every brewer should use the same bottle and they should all be returnable, but it remains to be seen if this can continue.

There is also a more specific issue in this market, that throughout the process of making champagne the bottle is under enormous pressure, not only from the build up of gas within the champagne itself but also the regular handling that takes place when turning the bottles. Before altering glass weight, producers

EVERY MANUFACTURER IS UNDER PRESSURE TO SHOW THEIR SUSTAINABILITY CREDENTIALS

JAMES BOULTON
CLAESSENS
INT'L



James Boulton

Tesco's De Vallois Champagne (above) now comes in a 830g bottle, which is about 7% lighter than the standard 900g version

need to be clear they don't run risk of breakages, which could not only have an impact on profits but also be physically dangerous.

With buy-in from the CIVC, the champagne industry is doing its best to create this level playing field, but it will still need to prove the brand benefits. While Tesco will undertake a move like this to be seen to be doing the right thing, it also needs to kickstart its champagne sales and in this case that may well be as much about being able to cut prices as well as demonstrating its green credentials.

One sector that the champagne producers can learn from in navigating this shift is the whisky industry. A number of years ago whisky distillers were among the first to move into lightweight glass bottles.

At the time, Claessens International was working alongside Johnnie Walker to refresh the Black Label brand and, while the company said it didn't want to change the bottle, we were able to show from a financial point of view that moving to a lightweight glass design made sense for the brand.

Changing perceptions

Today, lightweight glass has been embraced across the whisky industry. Furthermore, thanks to advances in technology, the brands using lightweight glass are the ones perceived as being

higher quality brands due to the beautiful embossing and sharpness of glass that can be achieved with modern production techniques. This means it's not just something that is saving the company money but it's also enhancing their brand as well.

On one level, the drinks industry has always been environmentally friendly as it has predominantly worked with returnable glass bottles. But there needs to be a change of perception for brands if we are to fully exploit the sustainable options available – like using lightweight glass – towards a realisation that sustainable can also still be premium.

To an extent the drinks industry needs to look at what the organic food industry has already been through. Go back five years and the organic industry was producing food covered in mud to differentiate itself in the market.

However, now it has moved to a premium position, it has turned to using sophisticated packaging and design as a means to set it apart. It is now confident in saying we are organic and we are higher quality.

So while Tesco may be looking to steal a march within the champagne sector with sustainability, other more established brands may take a little more convincing to take the plunge. **DI**

James Boulton is creative director at Claessens International

World Wine Tourism

Welcome to the inaugural International Wine Tourism Awards. *Drinks International* Editor Christian Davis sets the scene

Tourism is one of the most effective ways of marketing your products, services and facilities. Wine lends itself perfectly to tourism.

The growing of grapes and the making of wine involves everything anyone is interested in. History, geography, geology, botany, chemistry, physics, gardening, let alone educated wine drinking. You name it. You don't have to be interested in wine to find something of interest in a documented, well laid-out winery that explains everything about how grapes came to be grown and wine made in that particular place, region or country.

Best of all, if visitors have had a good time, they buy the wine (among other things) and go back and tell their friends about the trip, the experience and the wine. There is no more powerful marketing tool

than word-of-mouth endorsement.

Drinks International has launched the awards to reward producers, winemakers and generic bodies be they local, regional, national or international that set their stalls out to attract visitors be they on the step of their cellar door or from the other side of the planet. Despite a few noticeable absences from Napa Valley – the second biggest tourist destination in California after Disney – a high level of entries were received across the categories in our first year of the competition.

Our winners have clearly recognised and grasped the importance of wine tourism by implementing a successful tourism initiative. This generates brand awareness, brand loyalty and ultimately an increase in sales.

Congratulations to our winners. We look forward to the next Wine Tourism Awards later this year.

Best Major Producer

Winner: Wyndham Estate, Australia

For the judges, it was the range of activities that made Pernod Ricard-owned Wyndham Estate (pictured) in Australia's Hunter Valley the clear winner.

Not just tours around the vineyard and/or winery, but the estate features a large amphitheatre for concerts (pictured) and boasts an extensive riverside park with picnic and barbecue facilities.

Its Opera in the Vineyard has over 16 years attracted 60,000 visitors and last year it featured opera singer Dame Kiri Te Kanawa.

There is an annual Grape Adventure mountain bike race and is a popular venue for weddings, Christmas parties and corporate functions.

Harris said: "Historic. Very broad appeal. Roberts noted: "Won Australian tourism award. Has different offerings." Davis commented: "Impressive operation. Not just tours and tastings."



Meet the judges

The World Wine Tourism judges (l-r)

Christian Davis, editor of *Drinks International*.

Ian Harris, chief executive of the Wine & Spirit Education Trust and former marketing director of a global drinks company (Seagrams) that sold and marketed wines and spirits.

Emma Roberts, director of a major London PR and marketing agency that has a number of wine producers, brands and generic bodies as its clients.



Wine Tourism Awards

Most Innovative Vineyard/Cellar Tour

Winner: Bodegas Miguel Torres, Spain
Highly commended: Warwick Estate

The visitor centre claims an average of 100,000 guests a year. It offers a traditional tour that includes a tunnel of aromas, a tour by train (pictured) and a multi-sensory visit. The VIP tour is an expanded version with a visit to the Mas la Plana vineyard and to various cellars. The Ecotour features a walk through the Mas la Plana country house, focusing on the viticulture and showing visitors the care that goes into the vineyards.

Roberts was impressed by the comprehensive nature of the tours. Harris commented on the sheer numbers that go through - "100,000 visitors! Varied tours appealing to different levels." Davis: "Impressive. A big operation from a big operator."



Best Generic Body

Winner: Robertson Wine Valley, South Africa

Robertson has a battle on its hands. With the likes of well-known names Stellenbosch, Paarl and Franschhoek within easy driving distance of Cape Town, Robertson has to work hard to get people to visit it.

The Robertson Wine Valley, with its 55 members, has five wine festivals a year. The Hands-on Harvest event in the last week in February is followed by the Wacky Wine Weekend in June, which attracts about 18,000 people and brings in between ZAR25m to ZAR30m (\$3.2m-\$4.5m). Come August, we have the Robertson Slow, with dinners, baking, cooking and hiking to work it all off. Finally, Robertson Wine on the River in October (pictured above) features more than 300 wines to taste on the banks of the Breede river.

Roberts said: "Economic impact - fun, hands-on and year-round." Davis wrote: "Impressive for a small region with limited resources. Original and made the region sexy".

Best Wine Event

Winner: Vine and Dine, Denbies, England

Close to *Drinks International's* home, the judges liked the concept of people getting tuition in grape picking and "first hand experience in the workings of the vineyard and winery" in what is the UK's largest vineyard (107 ha, 265 acres). Some 523 people paid £49.50 (€59, \$77) to learn about and watch the harvest and enjoy a traditional rustic vineyard workers' lunch with Denbies wine. At the end of the day they get a tasting and an estate-grown vine to take away.

Harris called it: "Great PR" for Denbies. Roberts liked the "hands-on experience and the educational element".



We have teamed up with Brand Finance to reveal the world's biggest wine and spirits brands by value. Christian Davis highlights trends in the sector

Top of the league

Photo: Shutterstock/Michael D Brown

For years *Drinks International* has been publishing its annual Millionaires supplement charting the progress of the industry's million case spirits brands. Over the years Millionaires has become a much awaited and sought after publication.

As we all know, volume sales do not tell the whole story and last year we introduced a new league table to add another dimension to measuring the success or otherwise of the big players in the sector. This was a league table based on brand value and we are pleased to be able to publish the results of this year's table in partnership with Brand Finance.

Brand Finance is the world's largest independent brand valuation consultancy which specialises in valuing companies business and branded assets. The table can give us a good view not just of a brand's monetary value but also its ability to generate value today and tomorrow.

Through analysis and a complicated matrix of calculations based on financial results, future forecasts, brand strength

and royalty relief (see methodology box, page 24), Brand Finance has produced its second World's Top 50 Spirits and Wine brands by Value.

The company's chief executive David Haigh says: "We have been surprised at how dynamic the sector has been in terms of increases in value, there are some hotspots in the world where the major players are benefiting from years of investment in creating international symbols of success that newer consumers aspire to drink and can afford."

Johnnie Walker has maintained its position at number one with Bacardi, Smirnoff, Hennessy and Chivas making up the top five. But it is not just the famous global brands that are going from strength to strength.

We were surprised last year to see two Chinese brands, Kweichow and Wuliangye, in the top 10, but this year they have consolidated that position with a move up the table to sit at six and seven just behind the big global players.

Further down the table we see other Chinese and Korean brands moving up

and some well-known brands such as J&B, Dewar's and Beefeater slipping down the table. This could be an indicator of the going being tougher for brands with a dependence on the harder pressed economies of Europe and the US.

The measuring of domestic brands is always a challenge and we know there are some huge domestic brands in India and Asia generally and as the data improves we hope to reflect this in the table.

This year, Brand Finance has added some brands which did not appear last year and it will continue to make the table as comprehensive and accurate as it can be. This has moved some of last year's brands positions about, but generally the moves are caused by changes in brand value.

We hope you find it interesting not just for seeing where your brand, or a brand that interests you, measures up but for the issues it raises about the shifting roles of global, regional and local brands and how the industry landscape could change in the years ahead.

If you were an investor, where would you put your money? **► p22**

WE HAVE BEEN SURPRISED AT HOW DYNAMIC THE SECTOR HAS BEEN IN TERMS OF INCREASES IN VALUE

DAVID HAIGH
BRAND
FINANCE

Brands league table high

Local brands and global brands

With both Diageo and Pernod Ricard publishing their half-year results, it is clear that despite the “divergent macroeconomic trends” both have posted strong performances through two key factors, their portfolio of premium brands and their established presence in emerging markets.

Where those two factors combine it is a recipe for exceptional growth and with some reports suggesting that within five years Chinese consumers will account for more than 20% of all luxury goods purchased in the world, the value generating prospects for these premium international spirits brands look well set.

Currently this is favouring dark spirits of whisky and cognac and it will be interesting to see if the power brands in light spirits can capitalise too.

The league table shows that it is an international top five of brands with

Johnnie Walker, Bacardi, Smirnoff, Hennessy and Chivas, but with a change in last year’s placings. Hennessy moves up from five to three, Smirnoff drops from three to four, and Chivas Regal slips slightly from four to five.

It has been a particularly strong year for the LVMH house of brands not just Hennessy but its champagne brands too have made strides up the table.

In terms of volume though, even the top five are eclipsed by the sheer size of China’s domestic brands (and no doubt by other domestic brands that we have not been able to recover financial data for).

Last year we were surprised to find two Chinese brands in the top 10 and this year they have strengthened their positions with improved performances in their domestic market.

It can be tempting to write these products off as just cheap local liquor

that is all people know until they can afford the international brands they really aspire to, but that is perhaps an underestimation of the country that claims the invention of distillation.

Kweichow Moutai is considered the drink of banquets and has been served to heads of state as a national drink. Wuliangye describes its objectives to be “a world renowned brand” and has started to make a move beyond the boundaries into Korea and into Times Square in New York.



Kweichow Moutai moves up to number six

Established brands

But what about brands who are slugging it out in mature markets and having to force the pace to generate growth?

It is good to see evidence of some value-adding activity by brands in these markets too, with strong growth for Jameson for example moving from 27th to 24th place and The Famous Grouse

Top 50 Spirits & Wine Brands by Value

Rank 2012	Brand	Parent Company	Domicile	Category	Brand Value 2012 (US\$m)	Brand Rating 2012	Cases Sold 2010 (millions)
1	Johnnie Walker	Diageo	Britain	Whisky	2,432	AAA	17.8
2	Bacardi	Bacardi	United States	Rum	2,009	AA+	19.3
3	Hennessy	LVMH	France	Cognac	1,917	AAA	4.7
4	Smirnoff	Diageo	Britain	Vodka	1,718	AA+	28.3
5	Chivas Regal	Pernod Ricard	France	Whisky	1,551	AAA-	4.6
6	Kweichow Moutai	Kweichow Moutai	China	Baijiu	1,493	AA-	n/a
7	Wuliangye	Wuliangye Yibin	China	Baijiu	1,308	AA	n/a
8	Baileys	Diageo	Britain	Liquor	1,269	AA+	6.8
9	Moët & Chandon	LVMH	France	Champagne	1,252	AAA	2.6
10	Jack Daniel's	Brown Forman	United States	Whiskey	1,246	AAA-	15.5
11	Absolut	Pernod Ricard	France	Vodka	1,235	AA	11.0
12	Ricard	Pernod Ricard	France	Anis	952	AA	5.4
13	Grey Goose	Bacardi	United States	Vodka	945	AA+	3.7
14	Grant's	William Grant & Sons	Britain	Whisky	924	A+	5.0
15	Veuve Cliquot	LVMH	France	Champagne	856	AAA	1.6
16	Gallo Family Vineyards	E&J Gallo Winery	United States	Wine	790	AA-	20.5
17	Luzhou Laojiao	Luzhou Laojiao	China	Other	789	AA-	n/a
18	Ballantine's	Pernod Ricard	France	Whisky	780	AA	6.3
19	Crown Royal	Diageo	Britain	Whisky	775	AA-	5.1
20	ChangYu	Yantai Changyu Pioneer	China	Wine	578	AA-	n/a
21	Gordon's Gin	Diageo	Britain	Gin	535	AA+	4.2
22	Remy Martin	Remy Cointreau	France	Cognac	500	AA	1.7
23	Concha y Toro	Vina Concha Y Toro	Chile	Wine	496	A+	17.2
24	Jameson	Pernod Ricard	France	Whiskey	469	AA	3.4
25	Jägermeister	Mast Jagermeister	Germany	Bitters	458	AA-	6.6

Highlights emerging trends

benefiting from its innovation in line extensions at number 37.

Glenfiddich remains the highest ranking malt whisky, up three places at 32 with The Glenlivet remaining at number 47, with a less dynamic performance.

On the other side of the coin some familiar names are fighting to hold their ranking in tough times, Beefeater and J&B for example demonstrate how fortunes can change from what used to be the powerhouse of young spirit consumption that was Spain.

Where are the wines ?

We have highlighted the performance of champagne brands but it is not until position 16 that we find a still wine brand with E&J Gallo, and then the Chilean wines of Concha y Torro at 23.

In between is a Chinese brand Chang Yu at number 20, up from number 22 last year. In fact there are only seven wine brands in the top 50 suggesting that becoming internationally established is among the many marketing challenges that branded wine faces.

Summary

This year's table confirms some of the observations noted in the first table published in *Drinks International* (March 2011) and paints a picture of the shifting balances of power among the top 50 most valuable drinks brands in the world.

Not least the reflection that while the emerging markets are feeding value for international spirits brands who knows how far away the day is when Moutai makes itself international and the drink of choice for aspiring westerners.

After all, Johnnie Walker was a "domestic brand" once.

Analysis by Brand Finance, 3rd Floor, Finland House, 56 Haymarket, London SW1Y 4RN, UK. brandfinance.com.

Other commentary contributors from Brand Finance are Martin Kember and Richard Gowar.

Johnnie Walker remains the world's biggest wine and spirits brand in terms of value



Top 50 Spirits & Wine Brands by Value

Rank 2012	Brand	Parent Company	Domicile	Category	Brand Value 2012 (US\$m)	Brand Rating 2012	Cases Sold 2010 (millions)
26	Jose Cuervo	Diageo	Britain	Tequila	452	AA+	4.6
27	Jim Beam	Beam	United States	Whiskey	428	AA-	5.3
28	J&B	Diageo	Britain	Whisky	417	AA	4.6
29	Jinro	Hite Jinro	South Korea	Soju	409	A+	64.3
30	McDowell's No.1	United Spirits	India	Brandy	397	AA-	42.3
31	Brugal	Edrington Group	Britain	Rum	394	A+	4.4
32	Glenfiddich	William Grant & Sons	Britain	Whisky	371	AA-	1.0
33	Havana Club	Pernod Ricard	France	Rum	358	AA	3.8
34	Buchanans	Diageo	Britain	Whisky	340	AA	1.5
35	Jacob's Creek	Pernod Ricard	France	Wine	338	AA-	7.1
36	Captain Morgan	Diageo	Britain	Rum	331	AA+	9.1
37	Famous Grouse	Edrington Group	Britain	Whisky	329	AA+	3.5
38	Martell	Pernod Ricard	France	Cognac	324	AA-	1.8
39	Dewar's	Bacardi	United States	Whisky	316	A+	3.3
40	Ketel One	Diageo	Britain	Vodka	315	AA	2.1
41	Beringer	Treasury Wine Estates	Australia	Wine	312	AA-	8.3
42	Ciroc	Diageo	Britain	Vodka	303	AA	1.3
43	Bombay Sapphire	Bacardi	United States	Gin	274	AA	2.2
44	Malibu	Pernod Ricard	France	Rum	259	AA-	3.5
45	Lindemans	Treasury Wine Estates	Australia	Wine	257	AA-	6.7
46	Mumm	Pernod Ricard	France	Champagne	251	AA-	0.6
47	The Glenlivet	Pernod Ricard	France	Whisky	247	AA-	0.7
48	Robert Mondavi	Constellation Brands	United States	Wine	236	A+	10.4
49	Beefeater	Pernod Ricard	France	Gin	230	AA-	2.4
50	Tanqueray	Diageo	Britain	Gin	218	AA+	2.0

*Prior year results restated due to incorrect calculation of excise duty

Brands by Value



David Haigh, founder and chief executive of Brand Finance



About Brand Finance

Brand Finance is an independent global business focused on advising strongly branded organisations on how to maximise value through the effective management of their brands and intangible assets.

Since it was founded in 1996, Brand Finance has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars.

Its clients include international brand owners, tax authorities, IP lawyers and investment banks. Its work is frequently peer-reviewed by the big four audit practices and its reports have also been accepted by various regulatory bodies, including the UK Takeover Panel.

Brand Finance is headquartered in London and has a network of international offices in Amsterdam, Bangalore, Barcelona, Cape Town, Colombo, Dubai, Geneva, Helsinki, Hong Kong, Istanbul, Lisbon, Madrid, Moscow, New York, Paris, Sao Paulo, Sydney, Singapore, Toronto and Zagreb.

About Brand Finance's methodology

The methodology employed in this Brand Finance Top 50 Spirit & Wine Brands by value uses a discounted cash flow (DCF) technique to discount estimated future royalties, at an appropriate discount rate, to arrive at a net present value (NPV) of the trademark and associated intellectual property: the brand value.

The steps in this process are:

- Obtain brand-specific financial and revenue data.
- Model the market to identify market demand and the position of individual spirit brands in the context of all other market competitors.

Three forecast periods were used: Estimated financial results for 2011 using Institutional Brokers Estimate System (IBES) consensus forecast.

A five-year forecast period (2012-2016), based on three data sources (IBES, historic growth and GDP growth).

Perpetuity growth, based on a combination of growth expectations (GDP and IBES).

Establish the royalty rate for each spirit brand.

This is done by:

- Calculating brand strength – on a scale of 0 to 100 – according to a number of attributes such as asset strength, emotional connection, market share and profitability, among others
- Determining the royalty rate for each of the revenue streams mentioned in step 1
- Calculate future royalty income stream
- Calculate the discount rate specific to each brand, taking account of its size, geographical presence, reputation, gearing and brand rating (see below)

- Discount future royalty stream (explicit forecast and perpetuity periods) to a net present value – ie. the brand value.

Royalty relief approach

Brand Finance uses the royalty relief methodology, recommended by the International Valuation Standards Authority (IVSC) and recognised by the ISO 10668 Brand Valuation Standard. It determines the value of the brand in relation to the royalty rate that would be payable for its use were it owned by a third party. The royalty rate is applied to future revenue to determine an earnings stream that is attributable to the brand. The brand earnings stream is then discounted back to a net present value.

The royalty relief approach is used for three reasons: it is favoured by tax authorities and the courts because it calculates brand values by reference to documented third-party transactions; it can be done based on publicly available financial information; and it is compliant with the requirement under the IVSC to determine Fair Market Value of brands.

Brand ratings

These are calculated using Brand Finance's β BrandBeta[®] analysis, which benchmarks the strength, risk and future potential of a brand relative to its competitors on a scale ranging from AAA to D. It is conceptually similar to a credit rating.

Valuation date

The data used to calculate the ratings comes from various sources including Bloomberg, annual reports and Brand Finance research. **DI**



The Italian connection

Christian Davis previews Vinitaly, which takes place between March 25-28 in Verona

Organised by Veronafiere, Vinitaly is open only to people involved with the alcoholic drinks trade. It boasts 94,966 sq m, 4,164 exhibitors, 156,033 visitors (50,000 from more than 110 countries) and 2,625 journalists. Veronafiere claims Vinitaly delivers: “Four days of major events, meetings, tastings and targeted workshops to encourage contacts between exhibiting cellars and trade operators, together with an impressive convention programme discussing topics associated with supply and demand in Italy, Europe and the world.”



Antiche shows off Culto grappa

Antiche Distillerie, owner of the brands Antica Sambuca, Volare and Rossi D’Asiago, is introducing Culto, its grappa made from the Amarone grape. It is described as: “Clear and golden yellow, it has an intense perfume with pleasant hints of raisins that impart particular softness and light undertones of wood. The taste is soft, warm and balanced: the initial notes of raisins develop into hints of dried flowers and walnut husks.” Culto is aimed at passionate consumers in the ‘haute cuisine’ sector.

Sibona presents a new Grappa XO

Sibona says its Grappa XO Sibona has been aged for more than six years in small oak barrels in the company’s ancient cellars.

It describes the final product as a blend from the fermented residue of renowned varietal grapes such as Nebbiolo and Barbera from the Langhe and Roero regions in Piedmont. The flavour is said to be “warm and complex, with a strong and innovative character”.

New Carignano release for Pala

Pala will be presenting its new Carignano Siray wine made from Carignano grapes from the Pala vineyards in Sardinia in Cagliari. Pala says this is its first 100% Carignano wine.

Mazzetti d’Altavilla distilling since 1846

Mazzetti d’Altavilla claims to be the most ancient distillery in Piedmont, with seven generations making grappa for 166 years. All of its products will be available on its stand at Vinitaly.

Monteverdi shows the passion

Monteverdi is a family business with its cellar in Borgo San Giovanni in the DOC region of Oltrepò Pavese, near Lodi. The cellar can store up to 2 million litres of unbottled wine in its towers and the winery can produce 10 million bottles per year.

Its portfolio has expanded and today it includes wines from the best Italian regions: Tuscany, Piedmont, Veneto, the Abruzzi, Apulia and Sicily. For more than 20 years, Monteverdi has exported to more than 40 countries and overseas sales account for 70% of production. Apart from

Europe, Monteverdi also exports to Africa, the Caribbean, South America, China, Hong Kong and Vietnam.

Castello di Gabiano shows new look

Castello di Gabiano will be showing off new labels for its wines and the new company logo on stand L4/pavillon 9. It will be showing a selection of its wines including: Castello Piemonte Chardonnay DOC 2010 and Matilde Giustiniani Gabiano Riserva DOC 2007.

The new labels were inspired by an old papyrus of the castle, and the red stamp in sealing wax aims to enhance value and draw attention to the brand’s antique and precious qualities.

Wine Enthusiast rates Amarone Brunelli

Amarone Brunelli is over the moon because its Amarone Riserva Campo Inferi got 94 points in Wine Enthusiast. The company says this makes its Amarone the second best among almost 70 Amarones.

Brunelli says its Amarone Riserva Campo Inferi 2006 has been classified as the “third best red wine in Italy” by Italian wine expert Luca Maroni’s *Annuario dei Migliori Vini* 2012.

Vallarom expresses its terroir

Vallarom says its wines balance the flavours of the terroir, the grapes’ aromas and the company’s respect for the environment. Visit its booth to check out its wines.

Braida celebrates 30 years of Bricco dell’Uccellone

Braida’s estate is situated in the heart of Piedmont. Giacomo Bologna, advocate of the Barbera grape, says he launched a revolutionary wine style in 1982: the Bricco dell’Uccellone. Go to its booth to discover from his heirs the latest manifestation of the variety in its purest expression.

Guided tastings from Tenuta dei Baroni Capoano

Tenuta dei Baroni Capoano is inviting people to its stand on the opening day to take part in “guided wine tastings”, specifically its Cirò Bianco Denominazione d’Origine Protetta Donna Giovanna 2011. **DI**

Key facts

Where: Verona, Veronafiere

When: March 2012, Sunday 25, Monday 26, Tuesday 27, Wednesday 28

Timings: 9.30 to 18.30

Tickets

Daily tickets: €50 (online €45)

Repeat entry ticket: four entries (one entrance per day) €90, (online €80)

Phone: +39 045 8298854 (from 9.30am to 12.30)

Getting in

Vinitaly is open exclusively to adult trade operators: entrance is not allowed to persons under 18 years of age.



Photo: Shutterstock/Jeremy Richards

Whisky drinkers galore

The market for whisky in India is huge, but local brands have the lion's share due to the exorbitant import tariffs. Christian Davis reports

Sales of the top seven Indian whisky brands are equivalent to Diageo's total annual sales of scotch whisky around the world. That comment comes from Dr Nick Morgan, Diageo's head of whisky outreach.

India is one of, if not *the*, fastest growing alcoholic beverages markets in the world. United Spirits, the country's largest drinks company, claims to be the world's biggest liquor company by volume. It describes the Indian alco-bev sector "as galloping at an average of 10% per annum". It says prestige and premium segments grew by 20% over 10 years and 23% in the last

three years. United Spirits says volumes grew on an average 14%-16% year on year. The premium segment surged ahead in the past five to six years, growing at an average 25% year on year. Single malt whisky is a small segment, although it is the fastest growing category among India's premium, high-end, spirits.

United Spirits claims Dalmore and Jura are the fastest growing brands both worldwide and in India. It has just launched Dalmore 15 Year Old in India. The Whyte & Mackay brand grew by 92% in India in the past year, according to the company.

United Spirits' managing

► p30

Indian Whisky



Fact file on Indian whisky

- Indian whisky is the largest form of whisky sold in the world.
- Whisky represented 56% of the total 270-million-cases alco-bev industry in India in 2011, according to United Spirits.
- Indian whiskies are blended with scotch and/or Indian malt with extra neutral alcohol (ENA), derived from either molasses or grain.
- India is not a single market – it is 28 different markets as each state imposes its own regulations on top of federal rules.
- States in India have the right to tax the industry as they see fit and levels vary across the country. For example, the state of Punjab imposes a sales tax of 20%. In Maharashtra, excise duty is more than 300%. In Andhra Pradesh there is a sales tax of 70% and in Kerala it is 90%.

director and president Ashok Capoor, in his first interview after taking charge of Vijay Mallya's spirits arm about 10 months ago, said in India's *The Economic Times* that the company is shifting its focus to pushing high-margin premium brands and reducing costs by investing in back-end businesses.

He is reported as saying: "Being a volume chaser is a thing of the past."

The size of India's spirits market

It is hard to track reliable statistics for the size of the total spirits market in India. United Spirits estimates it at approximately 270 million cases, approximately 17 million cases of which is its Bagpiper brand. The Scotch Whisky Association (SWA) on the other hand estimates the Indian spirits market at 250m 9-litre cases, of which 140m are 'whisky'.

The inverted commas are present because much of Indian whisky is made from molasses rather than grain so, by recognised international definitions, it is not whisky (see fact file above).

The Economic Times report states that United Spirits' profits fell 63% last quarter because of what Capoor calls "momentary disruptions" and an increase in the price of extra neutral alcohol

(ENA), a key raw material, which was caused by rising oil prices.

The report says a key strategy for the company is to turn its Scottish subsidiary Whyte & Mackay's focus from bulk spirits to packaged branded spirits.

The report says United Spirits has bought three distilleries over the past year and plans to increase the share of spirits made at its own distilleries and in its bottled sales from around 34% to 40%-45% within three years.

Capoor tells *The Economic Times* that he expects Whyte & Mackay to be more profitable in two to three years when its spirits mature into scotch.

It says it has plans to launch four brands in the premium segment this year including value-price scotch John Barr as well as several "innovative spirits products". The McDowell's No 1 and Royal Challenge whisky maker has partnerships in emerging markets such as Myanmar (Burma), Vietnam and Nigeria, where it plans to begin operations in the next fiscal year.

Euromonitor, the international market research organisation released a report last November titled: 'Spirits in India: How Can One Country Eclipse an Entire Region?'. The report states: "India's rising star has been casting an increasingly heavy

Enigma, Mumbai: this bar attracts the Bollywood glitterati, who often endorse Indian whisky products

shadow over the spirits category, gradually eclipsing established regional powerhouses in the process. Beyond the still labyrinthine legislative environment and the minefield of the country's chaotic tax regime, the Indian spirits market has been expanding rapidly on the back of favourable demographic trends, aspirational consumers and the rapid growth of an indigenous middle class."

A force to be reckoned with

India overtook western Europe's spirits market in 2010 and is predicted to overtake eastern Europe by 2014.

The report goes on to discuss Diageo's new entrant, Rowson's Reserve, described as a new brand of Indian grain whisky that is combined with scotch and aged locally in American oak barrels. It is described as "crafted for the expectations of the Indian palate". The brand is aimed at India's middle class.

What happens regarding India's contentious import tariffs depends on negotiations, discussions between the EU and the Indian government.

"Trade agreements could potentially facilitate these efforts immensely," says Euromonitor. "In July 2011, India agreed to formally recognise 'scotch' ▶ p32

India's major producers

Allied Blenders and Distillers (ABD)
Amrut
John Distilleries
Radico Khaitan
Tilaknagar Industries
United Spirits

Indian whisky

whisky' as a product that can only be made in Scotland. This development could thus become a precursor to further bilateral agreements that would fundamentally change the operating environment for spirit sales in the country."

Rosemary Gallagher communications manager for SWA tells *Drinks International*: "In terms of progress with the Free Trade Agreement (FTA) which will address the issue of the onerous 150% import tariff on scotch whisky in India, we're still hopeful that a deal can be concluded."

"Improvements have been made since 2001 when the tariff stood at 750% but it is still too high and means scotch whisky is unaffordable for the vast majority of Indians. Only the very upper end of the



Vijay Mallya: chairman of United Spirits, which bought scotch producer Whyte & Mackay in 2007

middle class can consider buying scotch whisky. Many consumers are going through the grey market to buy whisky and too often this ends up being a bootleg of a premium brand of scotch," she says.

"The tariff on imported spirits is much higher than in other emerging markets – for example, in China it's now 10% and in Brazil it's 20%. India, the largest whisky market in the world, has the potential to become one of the biggest markets for scotch," adds Gallagher.

Euromonitor comments under 'Potential barriers to growth' in the November report: "Regardless of what happens on the legislative and taxation front, one thing is certain. With spirits volumes in India expected to witness a compound annual growth rate (CAGR) of 10% over 2011-2016 while the performances of the industry's western and eastern European bastions will be lacklustre at best, India will remain one of the key players on the shifting global spirits stage." **DI**

The biggest names in Indian whisky

Allied Blenders and Distillers (ABD)

ABD claims to be India's third largest spirits company. Its flagship brand, Officer's Choice "OC", is poised to cross the 20-million-cases mark and become the number one spirits brand in India. It is exported to more than seven countries.

The 42.8% whisky is described as a "blend of Indian malt spirits and the best selected Indian neutral spirit."

Amrut

Amrut Distilleries is the liquor arm of the Bangalore-based NR Jagdale Group. It produces whiskies, brandies and rum.

Amrut produces:

- Amrut Single Malt, "the first single malt whisky to be made in India"
- MaQintosh Premium Malt whisky; a "superior Indian whisky made from Scottish malted barley enriched by oak-matured malt"
- MaQ scotch whisky, said to be a genuine 100% scotch specially made for Amrut
- Club House is a "prestige blended malt whisky"

John Distilleries

John Distilleries claims to be the fourth largest alcoholic beverage company in India. It says its flagship brand, Original Choice, sells approximately 10 million cases annually. It also sells Grand Duke.



Radico Khaitan

Radico Khaitan says it is one of India's oldest and largest liquor producers. It was formerly the Rampur Distillery .

Its brands include:

- 8 PM whisky
- 8 PM Royale whisky, which is described as a prestige semi-premium whisky segment, made with Indian spirits and scotch with matured malt spirits
- Whytehall - a "classic deluxe whisky made from aged scotch malts and Indian spirits"
- After Dark, a premium whisky aimed at younger drinkers

Rampur Distillery

Rampur Distillery is said to be one of the largest distilleries in India, manufacturing high-grade Extra Neutral Spirit (ENA) from molasses and grain with a production capacity of 75 million litres of molasses ENA and 30 million of Grain Neutral Spirit each year. Its capacity goes up to 105 million litres per year, which makes it one of the largest distilleries in India.

United Spirits

United Spirits claims to be the category leader in the regular price whisky segment. The segment portfolio includes Bagpiper, Director's Special, Gold Riband, Diplomat, Old Tavern and Haywards.

United exports to 37 countries



and has identified four "lighthouse markets" as a step to increase its scale and depth internationally, starting with Asia and Africa.

United Spirits says the market relevant for its brands was 208 million cases in 2011 which gave it a 59% share. The market is growing at an average of 10%. That is excluding cheap and country liquor which is an estimated 100 million cases.

United Spirits says Bagpiper is the largest selling whisky brand in India, although ABD claims Officer's Choice has overtaken it. Bagpiper is being exported to 10 countries. A United Spirits spokesperson told *Drinks International*: "The Bagpiper franchise maintains its 17-million-plus-cases mark".

The Bagpiper blend is described as a light malty aroma and a hint of a smooth woody character, owing to malt spirits matured in pre-identified American oak casks.

There are higher priced variants - Bagpiper Gold, Director's Special Black - to straddle the "regular plus and the prestige category".

Bagpiper is the whisky of Bollywood. It boasts celebrities as brand ambassadors.

McDowell's No.1 is the flagship umbrella brand of United Spirits, claiming 7 million consumers in 25 countries.

McDowell's No 1 franchise (whisky, dark and white rum, and brandy) accounted for 43.43m cases in 2011.

The McDowell's franchise has variants:

- McDowell's No. 1 Diet Mate whisky, is the world's first diet whisky, created especially for the those with a busy party calendar;
- McDowell's No.1 Platinum, a 100% pure grain.

With all the bans on absinthe now lifted, the traditional French and Swiss producers are now free to re-invent the category for the 21st century. Hamish Smith investigates

Green light for go

The fortunes of the Green Fairy are finally looking up. In 2012, absinthe is facing its first full year of recognition as a global spirits category since the early 20th century. The period of government-enforced illegitimacy – a reaction to absinthe’s so-called psychoactive powers – is over, and there’s a new wave of liberated producers pushing the category forward. With the anti-absinthe propaganda campaign ending, brands will be hoping for a fairy tale beginning.

In May last year, the final statute preventing the sale of labelled absinthe was removed in France making the category fully legitimate. The French defence was the last to fall. Over the past seven years, bans have been lifted across absinthe’s traditional markets of Europe and America. But it is in the motherlands of France and Switzerland that the category’s liberty could matter most. If consumers in these markets re-embrace their distilling heritage, absinthe’s prowess could once again be unlocked.

With laws no longer a restriction, consumer perception is the last obstacle to category credibility. Ian Hutton, absinthe historian and owner of Liqueurs de France, dispels the oft-mooted

mind altering effects of absinthe. “We worked out that to get a cumulative dose of thujone [the compound found in wormwood – an ingredient in absinthe] you would have to drink 40 70cl bottles – which you couldn’t because you would die of alcohol poisoning. Chemists have analysed that dangerous levels of thujone are actually very difficult to achieve by proper distillation because there’s just not that much in the plants.”

The point of difference

So in that sense, absinthe is a spirit like any other. But while the psychoactive myth was indeed a curse to the category and led to its ban, its departure leaves absinthe rather short on differentiation. If hallucinations of green fairies are no longer the pull for consumers, what is?

“Absinthe has its own unique character and properties which set it apart from other spirits,” says La Fée’s managing director and owner George Rowley. Hutton echoes the point: “Proper absinthe is a premium spirit made from pot stills and is expensively produced. The French and Swiss distillers have a historical pedigree and it’s a category with regional character.”

To simplify, absinthe comes in two major forms, blanche – traditionally the Swiss style – and verte – more

Liqueurs de France is promoting its brands, such as Enigma, by dispelling myths about absinthe’s mind-altering effects

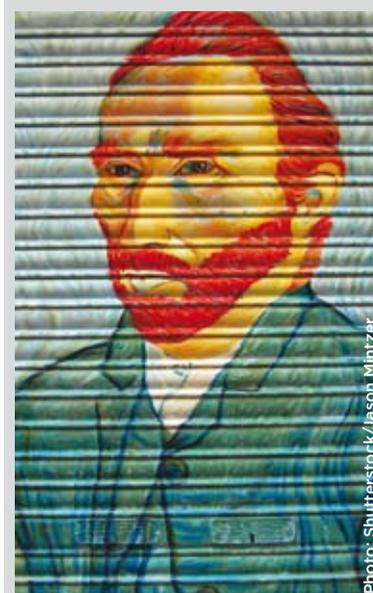


Photo: Shutterstock/Jason Mintzer

A potted history

Absinthe was created by Frenchman Dr Pierre Ordinaire, who worked in Switzerland in the late 18th century. Named Absinthe Elixir, it was a medicinal tonic until Henri-Louis Pernod created the first commercial absinthe in 1805.

The arrival of the grape disease phylloxera, which ravaged European vineyards in the late 19th century, effected a shortage of wine and brandy and caused absinthe to boom through to the early 20th century. In this period, Paris-based artists and writers such as Oscar Wilde and Vincent van Gogh raised the drink’s questionable profile.

But by 1915 absinthe was an illicit substance in France, Switzerland and the US, as wine producers circulated propaganda in a bid to re-establish their market, governments reacted to spurious research that suggested its thujone compound was a dangerous toxin, and a prohibition movement spread. Firms such as Pernod removed the wormwood from its products and began producing pastis instead.

Absinthe was never popular enough in the UK to be banned. In 1998, the UK market was tested by Czech distillers – which since the French/Swiss ban had been supplying underground demand.

The ban was lifted in 2005 in Switzerland, 2007 in the US, and in France in 2011.

Absinthe



Photo: Shutterstock/Shah Halud

associated with France. The herbs used are often, though not always, predicated on the 'holy trinity' combination of wormwood, anise and fennel. They are either distilled with the spirit or macerated after. Blanche absinthe is the clear spirit produced at the end of the process, while verte involves an added period of herb steeping for extra colour and flavour.

Juli Falkoff, brand director of Pernod Absinthe at Pernod Ricard USA, argues that absinthe's selling point is not just about the liquid, it can be the back-story too. "Pernod Absinthe specifically has a rich history via its association with the arts as it inspired artists and writers in the 19th and early 20th centuries. However, the flavour profile and high proof make the absinthe category an acquired taste for some."

The alcohol content, which is commonly 50%-70%, is indeed an issue. "The abv is a stumbling block for the producer," says Jeremy Hill, chairman of Hi-Spirits and co-founder of Czech-produced absinthe Sebor. "Genuine [green] absinthe needs to have an abv of higher than 45% to keep the herbs in solution. But 45% for operators is very much on the high side of what they want to sell. The challenge is to get a herbal absinthe that could work at a lower abv – something like a 30%-35% – an absinthe light." It seems Straight Up Drinks has been listening. It has launched Rotweisser, a 30% abv wormwood herbal liqueur to multiple international markets.

The absinthe renaissance in the past few years has been more about the re-establishment of hand-crafted spirits true to the French and Swiss traditions. Unlike, it could be said, the first wave witnessed in some markets more than a decade ago.

Quality control

In 1998 dubious quality spirit flavoured with essential oils and coloured with additives spread from the Czech Republic to markets such as the UK. "The poor products that were irresponsibly marketed in the UK 10 to 12 years ago you don't see anymore – there's been a switch to higher quality absinthe," says Alan Moss of La Clandestine. "There was a big disappointment with the first wave of absinthe, people would drink it and not see the Green Fairy. This time around – the real rebirth – people are discovering that absinthe works in cocktails, in a fountain and as a shot"

If absinthe can peel off its novelty label and join the stalwarts of the back bar it will need to communicate its new identity. "While it is not a mainstream category, absinthe is finding its niche, particularly in bars that truly understand the flavour profile, the spirit category and the mixability options behind our brand," says Pernod Absinthe's Falkoff. The herbaceous taste profile and aromatics should be enough of a pull for mixologists. In London, the Brompton Bar & Grill serves three types of absinthe

The challenge for producers is to move absinthe from novelty to quality category

served with a water fountain and four dedicated absinthe cocktails, most notably Death In the Afternoon, a mix of champagne and absinthe.

La Clandestine's Moss spends much of his time educating the trade. "There's been a misinformation campaign like in the early 19th century. The idea that thujone is a hallucinogen has been the most harmful thing to the category. It's an obstacle, but we will win."

While listings in cocktail bars may be enough to defibrillate the category, producers will have to widen the net if substantial sales are to be achieved. That absinthe volumes are not tracked by major data researchers, is an indication of its present size. Absinthe brands seem equally at a loss as to the scales of the category, with estimates ranging from 50,000 9-litre cases to 250,000 cases.

Perhaps then, a collective target of 1 million cases could be achieved? "We are only just scratching the surface," says La Fée's Rowley. "With the dynamics just changed: all major bans lifted, a major player (being Pernod Ricard) stepping up to the plate, 1 million cases per year should be easily surpassed. Absinthe is green for go – and it's only going one way, enjoy the ride – La Fée will."

And why not? Absinthe has surely ridden the hard road. If it can make a smooth transition from novelty to quality in the minds of consumers, it will be downhill pedalling from here on. **DI**





From our own correspondent



This month, the regular report from WSET's International Correspondent comes from WSET chief executive Ian Harris, who continues the trust's review of its providers around the world, focusing on a new recruit, the Kayra Academy in Turkey

In last month's *Drinks International*, we started a tour of providers of WSET qualifications around the world with a focus on Fine Vintage in Canada. This month we move to one of WSET's newest providers: the Kayra Academy in Turkey, which was shortlisted for the Riedel Trophy for the WSET International Educator of the Year 2011.

As a wine producer with an annual yield of 60-65 million litres of wine, Turkey accounts for 0.25% of global wine production, and there is no doubt that its production levels are linked to low domestic demand. Historically, Turkish people have favoured raki and beer; they consume at most only 1 litre of wine per capita annually.

Turkey's domestic wine market is fragmented, and mainly comprises low-end producers. Moreover, consumers are faced with crowded shelves in the markets and complicated wine lists in the restaurants, and their wine knowledge and brand awareness are low. But changes in other alcoholic categories are leading consumers to switch to wine – albeit mostly low-end brands.

Even though wine consumption is low, the number of ambitious Turkish investors who see great potential in the soil and dream of producing superior wines on this land is growing day by day. This means we can expect to see further entries into the premium segment from both big players and micro-producers – so watch this space.

Generally, 80% of the wines consumed in Turkey are red, but there is a growing interest in rosé and sparkling wine, as well as an awakening interest in sweet wines.

As tourism in Turkey continues to grow, so is the demand for imported wines – and with this, the need for better wine knowledge among personnel working in the increasing number of hotels and restaurants that are springing up.

Turkey is well on the way to becoming one of the world's top tourist destinations and is currently ranked seventh in the world for visitor numbers. Turkey's total tourism revenue was estimated to be worth \$25 billion in 2011, with 31 million visitors to the country, according to



The Kayra Academy in Turkey has put 777 people through the Level 1 Foundation Certificate in Wine

the Turkish Hoteliers Federation annual tourism report. The tourism sector in Turkey has grown by nearly 16% in the past three years – whereas the traditional destinations of Spain and France have contracted by a similar proportion in the same period.

Kayra Wine Centre (KWC) is the first wine education complex in Turkey. As well as being an approved provider of WSET programmes since 2009, it also features a fine dining restaurant, bar, wine boutique, laboratory, meeting rooms and wine library.

KWC also runs leisure-based wine classes in Istanbul where consumers and trade representatives can find everything they want to know about wine in a friendly, dynamic and intellectual environment. KWC's philosophy is to create a platform which brings together the companies, products, writers, academics and employees of the Turkish wine sector.

Since KWC opened, more than 5,000 people have taken part in its wine events and lectures. About half of these were wine professionals (ie, people working in wine production, importing companies, or in the hospitality industry), with the remainder being consumers.

From the WSET perspective, in a market which is still developing as a wine-consuming country, it is normal that formal wine education should start



at level one, and in the past year Kayra has put 777 people through the Level 1 Foundation Certificate in Wine – a growth of 77% on the previous year.

It is encouraging that more than 100 people have gone on to complete the Level 2 Intermediate Certificate, and Kayra has recently run its first Level 3 Advanced Certificate course.

KWC is the only approved provider of WSET programmes in Turkey, and it has demonstrated the potential for wine education in Turkey with some phenomenal growth in student numbers. As well as creating the highest standards of wine expertise, it also aims to promote the highest standards of conduct within the wine industry.

KWC intends to pursue these goals by taking a leading role in international events and discussions that affect the wine industry. And it will increase the emphasis on educating consumers who want to know more about the world of wine.

Who would have predicted 10 years ago that Turkey would be in the top 15 global markets for WSET qualifications? But then again, who would have predicted 20 years ago that China would play such a big part in the global wine market?

We live in a fascinating, ever-changing world – long may this dynamism continue.

Contact Ian Harris at iharris@wset.co.uk or via wsetglobal.com

BAR TSAR MARIANO MIXES UP PISCO



South American bartending expert Mariano Ramires (above) has been playing around with pisco.

Here are two of his recipes:

PISCO FRESH JULEP

- 2 oz Pisco Quebranta
- 1 oz simple syrup
- ¾ oz freshly squeezed lemon juice
- 3 fresh mint sprigs
- 1 oz apple juice
- Sparkling water
- 1 dash of passion fruit puree

Muddle the mint springs with the simple syrup and the lemon juice, add crushed ice, the pisco, the apple juice and stir gently. Finally top with sparkling water and add a dash of passion fruit puree on top.

PERUVIAN BITE (MORDISCO PERUANO)

- 2 oz Pisco Quebranta
- 5 leaves of fresh basil
- ¼ red chilli (quantity depends on strength)
- ½ oz simple syrup
- 4 oz ruby red grapefruit juice
- 6 dashes Angostura aromatic bitters
- basil sprig to garnish

Muddle the basil leaves, red pepper and the simple syrup in a shaker. Add grapefruit juice, pisco and shake well. Double strain in an ice-filled conical highball glass and garnish with basil inside the glass. Add a long straw.



Shingo Gokan: holding his trophy on the "best night of his life"

BACARDI ANNOUNCES THE WINNER OF ITS LEGACY COCKTAIL COMPETITION

Shingo Gokan from the US has won the 2012 Bacardi Global Legacy Cocktail Competition (BGLCC). Gokan from New York won with his drink 'Speak Low'. Gokan was chosen from eight finalists from around the world in a competition, which took place at the Bacardi distillery near San Juan, Puerto Rico.

He said: "This is the best week I've ever had, this is the best night I ever had, thank you so much."

Gokan was the final competitor of the night and is said to have left the audience in tears as he shared his personal story of not being able to return to his friends and family at home in Japan when the earthquake struck in 2011. His drink and its presentation were inspired by his grandmother's Japanese tea ceremony.

Bacardi global brand ambassador David Cordoba said: "It was everything about Shingo, the simplicity of the drink, his abilities behind the bar and his emotional connection with the audience."

As part of his prize, Gokan will visit the Bacardi distillery in Mexico as well as travel to five countries to present his drink.

The competition was judged by an international panel including two Bacardi master blenders Jose Sanchez Gavito and Luis Planas. They were joined by David Cordoba, "Ambassador of Aloha" Stanislav Vadrna and 2011 BGLCC winner, Marc Bonneton of France.

The eight were whittled down from a group of 26 bartenders who spent a week in Puerto Rico learning about the history of Bacardi rum, visiting the distillery in Cataño. Shame about

the picture (below). We're sure it tasted better than it looks.

This year's competition is part of global celebrations marking the 150th anniversary of Bacardi. Here's the winning recipe:

SPEAK LOW



- 1oz Bacardi Superior rum
- 1oz Bacardi Solera rum
- Half oz Osbourne Pedro Ximenez sherry
- 1 tsp matcha (green tea) and zest of yuzu

Mix the Bacardi Superior and matcha with a chasen matcha whisk (tea whisk) in a glass tumbler. Strain into a shaker and add Bacardi Solera and sherry. Hard shake and double strain into an old-fashioned glass and spray yuzu zest on the top.



BOLS INVITES BARTENDERS TO COMPETE IN AMSTERDAM

The Bols brand is calling for entries into its Bols Around the World global bartending competition.

Bartenders are invited to compete in a series of heats for the 12 places at the grand finale to be held in Amsterdam on Tuesday May 15. In the first heat, all entrants submit a cocktail recipe designed to demonstrate their "mastery of flavour", which is judged on harmony and balance.

The 10 best entrants from each region then sit an online test on the theory of bartending and in heat three bartenders are challenged to create a short film to present their cocktail, displaying their "flair for technique, passion for bartending and style of service".

Twelve finalists are invited to compete at a three-day intensive final in Amsterdam, culminating in the grand finale. The line-up includes one member of the Young Talent Program, developed for bartenders aged 23 or younger with less than one year's experience.

The judges are: Hidetsugu Ueno, owner of bar High Five, Tokyo; Jeff Berry aka Beach Bum Berry, co-owner of Faux

Tropical Bar School; Helmut Adam, co-owner of Mixology Magazine and Bar Convent, Berlin; Jared Brown and Anistatia Miller, directors of Mixellany and Rob Rademaker, Bols Bartending Academy's global ambassador and head trainer.

The deadline for entries is March 15 and you can find out more at bols.com.

The prize for the 2012 world champion is an eight-day global bar tour visiting the best cocktail bars in four cocktail capitals of the winner's choice as well as a Bols Platinum Ambassadorship, which comprises two trips to Amsterdam for intensive training and an all-expenses paid visit to a world-class bar show.

The 11 finalists are awarded a one-year Bols Gold Ambassadorship, which includes a trip to Amsterdam for training and an honorary contract to represent Bols in their own country.

All regional winners are celebrated on the competition website and receive a Bols Around the World National Champion Trophy and a limited edition Bols Barrel Aged Genever, signed by Master Distiller, Piet Leijenhorst.



CALLING ALL SOMMELIERS

The Academy of Food and Wine Service is seeking entries from sommeliers and wine waiters for its 2012 UK Sommelier of the Year competition.

This year's judging panel includes three past winners – Matthieu Longuère MS of La Trompette (2000), Ronan Sayburn MS of Hotel du Vin (1998) and renowned sommelier and hotelier Gerard Basset OBE, MW, MS (1992).

The competition starts with a questionnaire, from which the top scoring candidates will be chosen to compete in the regional finals. Winners of the regional finals will then go forward to the final, being held on May 23 at the London International Wine Fair (LIWF) at ExCel London.

Get entry forms from www.sommelieroftheyear.co.uk or from the Academy website at www.afws.co.uk, or call +44 20 8661 4646. All entries must be accompanied by an employer nomination.

The closing date for entries is March 23.

COCKTAIL EVENT PLANNED IN MANCHESTER

If you thought London was the only cocktail centre in the UK, think again. The organisers of the Boutique Bar Show have announced Cocktails in the City – a cocktail masterclass in Manchester.

What: A masterclass featuring 19 bars – including Harvey Nichols, Blackdog Ballroom and Mojo – 400 cocktail enthusiasts and more than 1,200 cocktails

Where: Manchester Town Hall

When: April 4, 17:30 to 22:00

Price: £18.00

What the organisers say: "This show reflects the increasing trend and popularity of cocktail culture and the fact Manchester has a world-leading cocktail bar scene. This event is an opportunity to discover all Manchester's top bars under one roof and learn the skilful art of cocktail making."

More info: cocktailsinthecity.co.uk

Volare cocktail of the month



and

ANGOSTURA aromatic bitters



This month's Volare In The Mix uses Volare Limoncello, a liqueur produced using the finest lemons from southern Italy. Limoncello is a traditional Italian liqueur that is usually drunk cold after dinner. Due to its versatility, and with the growing popularity of cocktails, this product is now being used in an entirely different way. For example, you can mix it with Angostura® Orange bitters to make the following cocktail:

Perfect Meeting

- 20ml Volare Limoncello
- 5 dashes Angostura® Orange bitters
- 40ml gin
- 30ml apple juice
- 15ml lemon juice
- 6 mint leaves

Pour all the ingredients in a boston glass and add the mint. Shake well with ice and double-strain in a pre-chilled martini glass. Garnish with lemon zest and a mint sprig.

Use the QR code with your smartphone to be directed to the video tutorial of this cocktail and don't forget to subscribe to our YouTube channel as we're going to upload new videos weekly. (www.youtube.com/volareinthemix)



PROMOTIONAL FEATURE



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PURE GOULD

Former Drinks International editor Patience Gould is puzzled by scotch that's marketed to women like perfume



As a woman and a serious spirits drinker, I confess to a sinking feeling when marketing folk or press releases claim that this or that brand has been specially fashioned to appeal to the "female drinker". So the Cognac Bureau's recent international summit looking at the feminine aspects of the eau de vie has really got me going - well thinking at least. Thinking, that is, about the perceived image of spirits and what makes them feminine or masculine.

I have never had the slightest hesitation in ordering a scotch - be it a blend or single malt - when out and about, but that said I do remember my mother who enjoyed her scotch at home and would never dream of ordering one in either a pub or restaurant. Her drink out reverted to a "safe" in her eyes, Dubonnet and bitter lemon. And then I remembered my father taking me out while I was at university and being utterly appalled when I requested a Jack Daniel's on the rocks. "Darling - Lee Marvin drinks that."

So both my parents had preconceived notions that scotch was too masculine a drink to have out and that the Tennessee sippin' whiskey was so manly it was beyond the pale for a woman to drink it. But I digress.

Whenever female aspects of a drink come to the fore it inevitably means that the perfume houses and the know-how of the perfumery masters are wheeled into play. This implies that all women are obsessed with perfume, which aside from the blatant condescension, could not be further from the truth.

The last time I daubed some priceless concoction behind my ears, I was within a trice seized with a sneezing fit that had me rushing to the bathroom to remove all trace of the offending scent. A headache of almost blinding proportions ensued thereby ensuring that perfume was very much a no-go area, for me at least. Indeed it would be near purgatory to stroll through a perfume parlour even with a peg on my nose. Suffice to say Usain Bolt's 100 metres world record would be under instant threat.

Admittedly there are some similarities when it comes to aromas in perfumes and in various spirits including

cognac, scotch, rum and of course flavoured vodkas; the likes of cocoa, vanilla, cinnamon, nutmeg, ripe fruit, toffee and orange - and that is interesting, well to an extent. But apparently this

is also true of the design and packaging. When it comes to cognac, women go for a luxury and contemporary look and a rounded bottle is preferred, all characteristics which are inherent in perfume design and packaging.

Just off the cuff, I rang a friend and asked: "What would you say to a scotch packaged à la perfume?"

The response was immediate: "Perfectly disgusting, particularly if it had an atomiser!" Well it's been done - minus the atomiser, of course. Remember Ballantine's Purity? Captivated by the enormous opportunity afforded by positioning a brand as a perfume, and thereby attracting droves of female buyers, the then Allied Domecq launched a 20 Year Old vatted malt under the Ballantine's label into the travel duty-free arena. It was 50cl of scotch, dressed up as a perfume, complete with pointed top - quite horrible and quite disturbing too.

Perfume, scent or whatever you spray on yourself, is for dressing up - you do not pour it into a glass, nor in fact do you drink it. And the reverse with scotch whisky and other spirits is true. So this link with the perfumed world is all very interesting, but the fact remains that when you are buying scotch or perfume it is a different buying occasion - you don't think to yourself I'll nip down to the supermarket as I'm out of gin and perfume. The two just do not go together.

Mind you, Bombay Sapphire back in 2003 made spirits history with the launch of Infusion by Bombay; a fragrance made with the same 10 botanicals used in the gin. It was available in the duty-free arena but for a limited period only as it was part of an innovative educational programme for the brand. Come to think of it, I'm sure I've seen a short film, in the dim and distant, in which the mentally unbalanced heroine drinks her cologne...



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