

Press Release

No. 16 / Cologne, 31st January 2007

Final Report: 37th ISM lives up to its reputation as the central meeting place for the global confectionery trade

Visitor numbers up with a strong turnout from abroad

Approx. 36,000 buyers from about 150 countries: Good post-fair business expected

The 37th International Sweets and Biscuits Fair (ISM) closed on Wednesday after four days. Visitor turnout was up at this year's event, with about 36,000 buyers from roughly 150 countries (2006: 35,249 from 155 countries) attending the fair to learn about the sector's international range of confectionery products and snack items. In view of the large number of high-ranking visitors, the exhibiting companies are very optimistic and expecting good post-fair business. At 60 per cent, the share of visitors from outside Germany increased once again. The percentage of trade visitors from Germany remained stable, with the same high level of decision-making authority in evidence as in previous years. With a focus on themes including "premium", "wellness and fitness" and "organic products", many of the suppliers presented product ideas and concepts in line with the latest trends. A visit to the fair by Horst Seehofer, Germany's Federal Minister of Consumer Protection, Food and Agriculture, on the first day of the fair also underlined the importance of the German and international confectionery industry.

According to Wolfgang Kranz, Executive Vice President of Koelnmesse, the 37th ISM was another key event for the worldwide trade in confectionery



ISM
28.01.– 31.01.2007

www.ism-cologne.com

Contact:
Christine Hackmann
Tel.
+ 49 221 821-2288
Fax
+ 49 221 821-3285
E- mail
c.hackmann@
koelnmesse.de

Koelnmesse GmbH
Messeplatz 1
50679 Köln
P.O. Box 21 07 60
50532 Köln
Germany
Tel. +49 221 821-0
Fax +49 221 821-2574
info@koelnmesse.de
www.koelnmesse.de

Management:
Jochen Witt
(President and Chief Executive Officer)
Wolfgang Kranz
Oliver P. Kuhrt
Herbert Marner
Dr. Gerd Weber

Chairman of the Supervisory Board:
Mayor of the City of Cologne
Fritz Schramma

Place of business and (legal) domicile:
Cologne - Amtsgericht Köln, HRB 952

products and snack items. "Together with our partners in the sector, we precisely tailored the fair's concept to meet the needs of the suppliers and buyers," he states. "That's paid off for everyone involved. The suppliers gained direct access to all of their relevant customers in the global confectionery trade."

This year, the buyers in attendance once again came from around 150 countries. As in past years, EU countries were particularly well represented. In addition, there was an increase in the number of visitors from eastern European countries. Turnout by buyers from North and South America, Asia and the Middle East was also strong.

For the 1,609 suppliers from 71 countries, ISM was a very promising start to 2007. Representatives of these companies praised the decision-making power of the contacts they made at the fair. "Every discussion pays off at ISM, and every contact is important," said one exhibitor. A number of suppliers closed major deals during the event.

This year, for the first time, ISM benefited from the completed modernisation of the Cologne exhibition centre. The new Entrance South, the linking function of the centrally located open-air Piazza, and the Entrances East and West ensured an even flow of visitors in all the halls. Exhibitors and visitors alike once again had high praise for the organisation of ISM.

No added sugar: Many concepts for confectionery and snack items focus on the relationship between natural raw ingredients, a great taste and a sense of well-being. With an emphasis on cutting sugar and fat, a greater use of natural aromas and ingredients, and authentic ingredients, the "wellness and fitness" theme was evident in every product segment, especially chocolate products.

The sector is thus responding to the current discussions regarding fundamental nutritional questions that are being initiated by politicians and consumer protection agencies. With new recipes and innovative products, the producers are satisfying demands regarding a balanced diet and the guilt-free enjoyment of treats.

Overall, there is a clear trend towards high quality, and this is being addressed by suppliers of premium products in particular. These companies are offering sophisticated confectionery concepts that are a delight for the taste buds and setting new standards with selected ingredients and exotic, original creations.

Organic products in the confectionery and snack sector are also in strong demand, and growing numbers of brand-name suppliers are responding to the consumers' wishes. The spectrum of products ranges from chocolates to sugar confectionery and biscuits to snack items made with certified organic ingredients.

A very popular attraction at the fair was the special show and series of presentations titled "Süße Impulse – Sweet impulses", which shed light on the opportunities and risks at the point of sale, a very important area for impulse purchases of confectionery products.

The second ProSweets Cologne overlapped with ISM. The fair for the confectionery supplier industry attracted a strong turnout on its first three days (29th to 31st January) and is open until Thursday, one day after ISM closes, to meet the needs of buyers of technology, packaging and ingredients.

The 38th ISM will take place from 27th to 30th January 2008.

The organisers of ISM are Koelnmesse and the International Sweets and Biscuits Fair Working Group (AISM), which is the conceptual sponsor.

ISM 2007 in figures

A total of 1,609 companies from 71 countries participated in ISM 2007, including 82 per cent from abroad. The fair occupied a gross exhibition space of 115,000 m². The participants included 254 exhibitors and 36 additionally represented companies from Germany as well as 1,249 exhibitors and 70 additionally represented companies from abroad. Including estimates for the last day of the fair, ISM 2007 attracted around 36,000 trade visitors from roughly 150 countries, and approximately 60 per cent of them (21,600) came from abroad.

The trends at the 37th ISM

At the International Sweets and Biscuits Fair, the industry charted out its course for the 2007 confectionery year. Consumers can look forward to a wide variety of new ideas and developments. At ISM it was clear to see that the suppliers in every segment, from chocolate and sugar confectionery to sweet baked goods and savoury snacks, have drawn a lesson from the ongoing public discussion about nutritional habits and are now pro-actively marketing their products accordingly. Trends such as wellness and fitness, premium products and organic foods being not only adapted, but also celebrated with specific advantages drawn from the enormous range of sweet indulgences.

The major highlights consumers can look forward to this summer include pure fruit, more original chocolate products with a high cocoa content, and functional sweets, lollipops and chewing gum in new guises. Rooibos, pu-erh tea, green tea, ginger, lemon grass, sea buckthorn and Asia spice have become commonplace in "active" chocolates and marzipan creations. Now that chilli,

red and green pepper, sea salt and Himalayan salt have become more “mainstream” chocolate additives, the top chocolatiers are experimenting with ylang-ylang, noni, lassi, wasabi and algae, as well as with incense and, of course, rose essences.

Many suppliers are offering chocolate bars with 100% cocoa content, and the connoisseurs now talk of cocoa and cultivation regions (such as Esmeraldas, Los Rios and Manabi in Ecuador, Santander in Colombia, and areas of Java, Madagascar and Ghana) just as knowledgeably and enthusiastically as wine lovers do about types of grapes, chateaux and vineyards. The companies are now mentioning numerous scientific studies and health-promoting elements in their marketing activities, according to which cocoa, for example, can increase longevity. Products include “IQ” chocolate which demonstrably increases powers of concentration, and chocolate that strengthens the immune system.

At ISM 2007 in Cologne, it was evident that the confectionery industry is taking wellness and well-being seriously. It is offering a wealth of concepts for a whole variety of situations, such as ribbed mints for tongue care, IQ mints for enhancing mental performance, and a lollipop with the calming herbs lemon balm and lime blossom, which is recommended to smokers in particular, in a form resembling a pack of cigarettes. When it comes to sweets, chews, fruit gums and similar products, more and more manufacturers are putting sugar-free variants on the market.

What is common in the case of bonbons could soon define the market for other products, too. “Light” variants of chocolate bars are becoming increasingly popular in Spain, although this tendency is not yet visible in Germany. Initial projects with reduced-sugar bars have been well received, however.

One development stands out across all the segments: an increased use of fruit. Manufacturers of sugar confectionery are incorporating more and more natural fruit into products such as a lollipop with three juicy components in one. It is also impossible to overlook the abundance of summer chocolates with mango, passion fruit, peach, green apple, figs, various berries, and many other types of fruit. The big stars of this year, however, are cherries. From cherry stracciatella in fine marzipan, to an added ingredient in marshmallow confection (a technological masterpiece) or in combination with light yoghurt biscuits, cherries are making a major comeback. In addition, many retro items are rapidly becoming big hits with consumers. These include "cat's tongue" chocolates and, for children, the rectangular lolly chews with a raspberry and milk flavour.

The manufacturers of children's items are continuing to expand their set of licenses. The classics from Disney, as well as Barbie and Pokémon, are being joined this year by Hello Kitty and SpongeBob SquarePants. One exhibitor at ISM generated a real swell of interest by making dinosaur figures hatch out of an egg and grow. In the coming months, a sense of fun will be provided by turtle and wrestling themes with matching accessories, like tattoos, stickers and surprise eggs.

Purism and a commitment to raw ingredients are major factors in the segment for sweet baked goods, with peanuts set to play a leading role this year. The suppliers of the big brands are promising less sugar and less fat, while other products are lining up with light yoghurt variants and also new spices. Many organic items were on display in this section of ISM, in several cases as organic variants of standard baked goods.

According to one supplier of salty snacks, “Organic foods are basics, not luxuries.” The snack segment is offering a wide variety of light versions and new items, such as potato-like fruits from Asia, prawns and above all rice crackers in all shapes and colours.

Whereas a trend towards downsizing has been apparent in recent years (still noticeable in Cologne in the form of 40 g and 50 g mini-bars, sticks, etc.), large multi-packs and extra-large bars are once again gaining in popularity. In the case of biscuits, there are wonderful cookies from Australia, packaged in designer boxes and ideal for sharing with friends.

And with the fantastic 2006 World Cup still a recent memory, sport remains an important theme for the confectionery sector. Top athletes like Anni Friesinger, the World Cup-winning German women’s team, and football stars Lukas Podolski and Torsten Frings will give testimonials that promote the enjoyment of sport for people of all ages, and family-friendly dental care. There will be no lack of variety in this confectionery year — and that’s certainly something to look forward to.

Further information can be found at:

www.ism-cologne.de (www.ism-cologne.com)