



NEWS RELEASE
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BBC presents the facts

IN THE WEDNESDAY SEPTEMBER 13TH edition of the Daily Nation, Chefette Restaurants published a full page paid advertisement in which they sought to present to the public an explanation of their decision to switch soft drink supplier. Embedded in the article is the open assertion by Mr. Haloute that their decision "...was dictated by an astronomical rate increase that was proposed by Barbados Bottling Co. Ltd. (BBC)".

Barbados Bottling Company is not in the habit of discussing its customer relationships, past or present, in public; however the content of Chefette's paid advertisement mandates that we protect the integrity and the support we receive from staff, loyal customers and consumers.

The facts of the matter are as follows:

1. BBC entered into a 5 year contract with Chefette in 2001 for the supply of soft drinks to the chain, the prices were fixed for the five year term of the contract.
2. Early this year negotiations began with Chefette for a successor contract and a proposal was submitted to them for consideration. The contract was for a further 5 year period with pricing fixed in the first 2 years and a review required in year 3. Chefette countered that they were desirous of a 7 year contract with fixed prices for the entire term. BBC could not accommodate that request given the volatile nature of prices on sugar, concentrates & energy – all key inputs into the manufacture of the syrups.
3. **The increase proposed by BBC amounted to the equivalent of 6.8 cents per 16oz serving. This would represent the only increase in pricing to Chefette for the last 5 years.**
4. Chefette subsequently informed BBC of their decision to switch with effect from 31st July 2006.

5. In mid-July Chefette approached BBC and requested that BBC continue to supply them with product beyond the agreed termination date as their new supplier was now unable to meet the changeover deadline. BBC agreed to their request and continued to supply them for a further two weeks **AT THE 2001 PRICES.**
6. BBC has, over the past weeks since the changeover been inundated with calls from consumers and the media regarding the change and has always indicated that decisions such as this are a consequence of the competitive world in which we live.