

# The **Gold Coast** Bulletin

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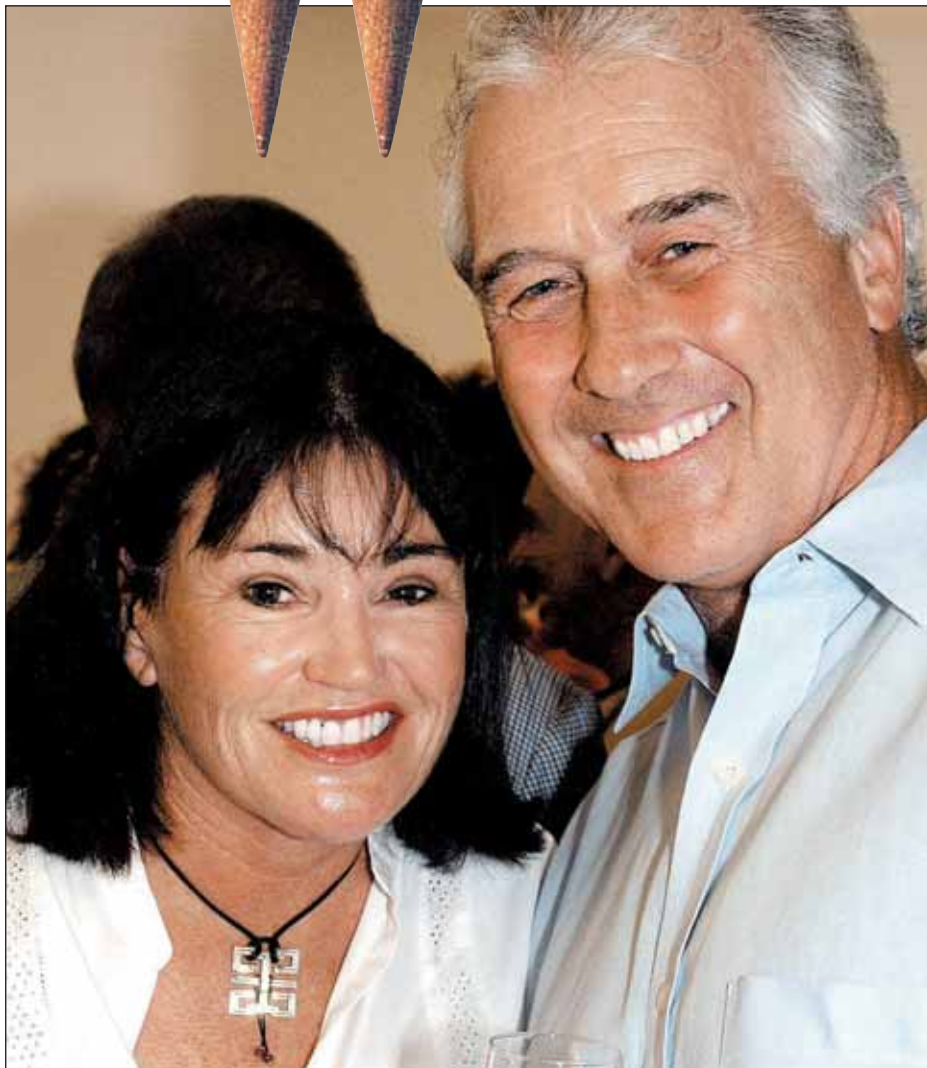
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Look who's lunching with Hot Tomato **RADIO BATTLES**

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# Scop purchase



Peter and Gaybrielle Graham taking their ice cream public

● Picture: Regina King

## Ice cream wars:

### Peter takes his firm public

by Marshall Hall  
business editor

**GOLD Coast businessman Peter Graham is taking his business – the Australian operation of the giant ice cream chain Baskin-Robbins – to the next level.**

The initial public offering of shares already appears to be oversubscribed even though the offer does not close until November 22.

The Graham family, headed by Peter and Sorrento-dwelling brother David, bought global ice cream chain Baskin-Robbins' master franchise in 1991.

The Baskin-Robbins float coincides with a tastebud war at the top end of the ice cream industry. Norco recently launched its Cape Byron Supreme into the \$1.4 billion premium dessert market.

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# Ice cream floating

## Coaster in offer to public

by Marshall Hall  
business editor

PROMINENT Coast businessman Peter Graham is taking his business – the Australian operation of the giant ice cream chain Baskin-Robbins – to the next level.

The Hedges Avenue-dwelling Mr Graham, whose family has been on the Coast since 1952, is set to float the ice cream operation.

And investors are lapping up the idea, with the initial public offering already appearing to be oversubscribed even though the offer does not close until November 22.

The Graham family, headed by Peter and Sorrento-dwelling brother David, bought global ice cream chain Baskin-Robbins' master franchise in 1991 after the Hoyts cinema chain sold off a string of non-core assets.

Allied Brands is now aiming to raise \$4.7 million from the issue of 13.5 million 35c shares for 55 per cent of the Mermaid Beach company.

The rugby union-loving Grahams would retain a 42 per cent stake in the company after a successful float.

Mr Graham, who is married to Gaybrielle and has two daughters and a son, said he had been planning a float for 'probably six years' but started seriously working towards the initial public offering two years ago.

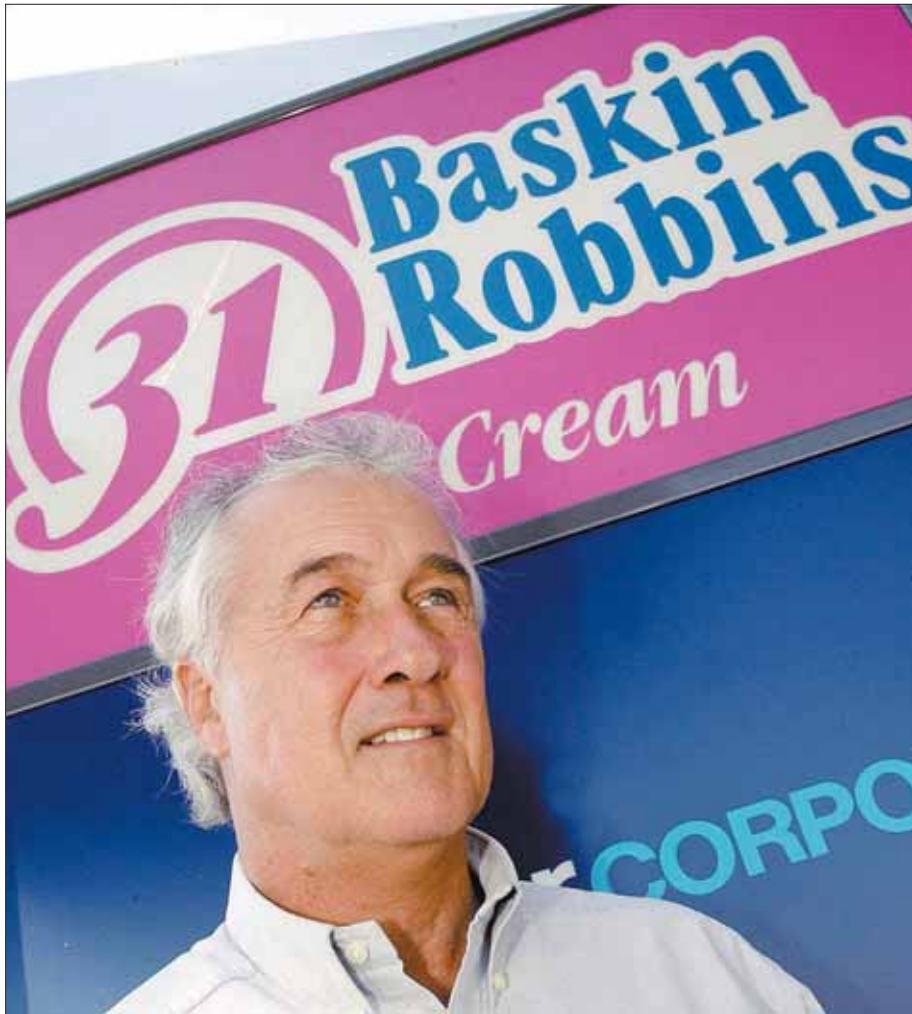
"It was a fairly lengthy process because there is a third party involved ... the owner of Baskin-Robbins in the US," said Mr Graham.

The owner of the US brand is Allied Domecq Plc, a UK retailer with operations in more than 11,000 locations in 50 countries.

As well as the Baskin-Robbins brand it also owns Dunkin' Donuts, Togo's Sandwiches and boasts a stable of some of the world's most recognisable liquor brands – Kahlua, Canadian Club, Tia Maria, Teacher's, Malibu and Ballantine's.

"We had to renegotiate the master franchise licence because at that stage we had it for another 10 years," said Mr Graham. "The stock exchange would not allow us to list with only another 10 years to go on the licence. We signed a 20 by five by five deal ... that means we have the licence for 30 years."

Allied Brands has also added Saint Cinnamon – a



Baskin-Robbins ice cream boss Peter Graham

● Picture: David Clark

## Cold war as battle for the tastebud begins

THE war has already begun.

As Baskin-Robbins prepares to float its ice cream operation, the first shot for dessert supremacy has been fired.

Norco recently launched its Cape Byron Supreme into the market as the battle for tastebuds begins.

Australians are among the largest consumers of ice cream in the world on a per capita basis, second only to the US in our love of the creamy delight, once referred to by Baskin-Robbins Australian joint-owner

Peter Graham as an indulgent, decadent treat.

In a market that sees us spend something like \$55 each on the product annually, the \$1.4 billion 'take' is one over which ice cream producers will be more than prepared to do battle.

Firms such as Nestle, Norco, Parmalat and Unilever account for a premium end of the ice cream market, which throws up names like Peter's, Streets, Pauls, Cape Byron,

Blue Ribbon, New Zealand Natural and Sara Lee.

Cape Byron Supreme recently launched its indulgent ice cream to tempt the taste buds on the Coast.

Haagen-Dazs, Bulla, Connoisseur and Norgen Vaas are brands that also challenge for the consumer dollar and, while the fight may never become bloody, the ice cream wars could leave a few casualties out in the cold.

Baskin-Robbins has made huge inroads into the market since its

arrival on the scene 11 years ago, the product no less regarded by consumers for being manufactured in Canada.

Publicly listed, the company might investigate the possibility of manufacturing in Australia.

"Because of the high quality of the ingredients in our product we always imported them. We couldn't source the quality stuff here. Now the whole product range is imported which, to me, is an absolute disgrace," said Mr Graham.

coffee, cinnamon scroll and crepe business – to its stable.

It is forecasting a profit before tax, amortisation and interest of \$1.509 million for 2004-05 and an annual dividend yield of 9.43 per cent.

The proceeds of the float would be used to buy the

Australian ice cream distribution business from Allied Domecq, fund further expansion, improve the company's computer system and to repay debt.

Mr Graham's family is no stranger to the Gold Coast and business. Mr Graham,

56, and David, 54, both attended The Southport School, before they worked for hotel chains in England.

Their family opened the Eldorado, the Gold Coast's first motel, which sat on the site of the Parkroyal hotel.

The family then bought

the management rights for the Iluka tower, which was to become the first in a chain of 24 Quality Inns hotels in Australia. Mr Graham said they sold Quality Inns to hotel giant Accor in 1990 after seeing a big increase in competition from bigger rivals.

Mr Graham said they then looked to buy a hospitality industry-based business with a strong brand and settled on the Baskin-Robbins franchise operation.

"It's taken a while to get it going but we are now seeing the results," he said.

THE BEST BUSINESS PAGES BEGIN ON THE BACK PAGE

\$75m aged care foray

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Morris moves house



Business Property

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SPORT IN THE MIDDLE BUSINESS AT THE BACK



COAST CONFIDENTIAL with Ross Eastgate

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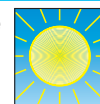
It's Friday

Weather:

Mainly fine

Min 16C

Max 23C



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