

ANNEX 1

KELLOGG'S

CHANGES IN

ADVERTISING TO CHILDREN

2003 - 2009

BCAP regulated media

We are complying with the new OFCOM regulations relating to scheduling (balance) and content (nature) of advertising.

Changing the balance of TV advertising towards family viewing

- We have given greater focus to advertising during times when parents watch.
- This goes hand-in-hand with a long-term plan to reduce the amount of advertising we use on children's TV. This plan has been implemented since 2003.
- Using the Coco Pops brand as an illustration: there was no advertising spend on family airtime in 2004. We have moved the balance towards family viewing year-on-year, and this airtime now accounts for over 80% of the ad spend in 2007.
- In line with the regulations, we plan to shift this balance to 100% of ad spend being on family airtime by January 2009.

Illustration of the reduction of advertising on children's TV

- The chart shows our reduction in TV advertising in children's airtime.
- It also shows our estimate for 2008, and the move to zero communication in 2009, in line with OFCOM regulation.

Year	Total TVRs
2003	137
2004	118
2005	100
2006	72
2007	68
2008	42
2009	0

- Figures include TVRs for adverts for cereals and snacks in children's TV
- Figures are indexed, using the year 2005 as an index point of 100
- Points relate to products that fall within the FSA's classification of "HFSS foods"

Examples of the change in nature of TV ads over time.

This commentary is to accompany the DVD, which contains 2 Coco Pops TV adverts, as well as 2 TV adverts for on-pack promotions across a range of our cereals.

Coco Pops

- Historical advertising on Coco Pops has shown Coco the Monkey in the jungle with his Gang. Example shown: “Dr Tikki”, (2005).
- We plan to no longer use ads in this style from 2009 onwards.
- We are increasingly moving towards an ad style that creates a dialogue with parents also, to ensure the whole family finds the ads entertaining and engaging. Example shown: “Cupboard” (2007).
- We will continue to work on the nature of our ads, to ensure they appeal to the wider family group.
- We will continue to emphasise the importance of eating a balanced diet; portion control; and maintaining an active lifestyle.

Examples of the change in nature of TV ads over time.

On-pack promotions across a range of our cereals

- Historical advertising has often focused on messages to children (in line with the inserts in pack).
 - Example shown: “Ice Age 2” (2006).
- TV ads for more recent promotions have included family activities and occasions.
 - Example shown: “Free Cyclometer” (2007).
- We intend to continue to appeal to the wider family, with both the promotional offer and the accompanying advertising.
- However, we will no longer be using 3rd party licensed characters.
 - Number of 3rd party licensed characters used in promotions:
 - 2005: 6
 - 2007: 1
 - 2008: zero

CAP regulated marketing

- We have complied with all the recent CAP requirements although we have not advertised to children in recent years in the majority of the media that were impacted.
- We stopped advertising in children's comics and magazines from 2005. Prior to this we had significant exposure in these media.
- Within cinema, we will continue to use ads that appeal to the family group (for example, Coco Pops "Cupboard" ad), rather than historical ads designed to appeal solely to children. This has been implemented since March 2007.