

Dunkin' Donuts Introduces Brand's First Dedicated Hispanic Television Advertising

RANDOLPH, Mass. (September 7, 2004) - Dunkin' Donuts announced today the brand's first dedicated Spanish-language television ads targeted to Hispanic customers, to air in four markets, New York, Miami, Chicago and Philadelphia. A total of four new original ads will air during the coming year

"Dunkin' Donuts is expanding nationally and our store presence is increasing in markets where there is a large Hispanic population," said John Gilbert, vice president of Dunkin' Donuts marketing. "Although the brand has strong national recognition, our stores are located primarily on the East Coast. As we grow nationally, we intend to increase our advertising targeted to Hispanic customers. We plan to double our Hispanic advertising spend in the next year."

The first of the new series of original ads began airing August 29, featuring breakfast sandwiches. Two future ads, beginning in October will promote hot lattes and a fourth ad will feature iced lattes. Previously, the brand adapted general television advertising for broadcast to Hispanic markets, and ran dedicated radio spots in a limited number of markets.

"Our new Hispanic ads align strategically with Dunkin' Donuts general advertising," said Gilbert. "Counter-intuitively, Dunkin' Donuts is primarily a coffee company. Our business model is to sell a coffee plus a baked good to every customer. It is this focus on beverages and baked goods, together, that has helped us thrive when our competitors are suffering in this low-carb era."

Dunkin' Donuts sells nearly one billion cups of hot regular coffee a year, outselling all other quick service competitors, including McDonald's and Starbucks. Dunkin' Donuts coffee was named the Best Coffee in America on NBC's Today Show earlier this year. Of the brand's menu mix, 14 percent of sales come from donuts, 50 percent from hot regular coffee and an overall total of 70 percent from beverages.

In 2004, the brand launched espresso-based beverages including lattes and cappuccino. Dunkin' Donuts research revealed that sales growth of its new espresso-based beverages was particularly strong in Hispanic markets, such as Miami.

"The new Hispanic latte ads will clearly support our beverage-focused brand strategy, but even our breakfast sandwich advertising helps to drive coffee sales because 80 percent of our breakfast sandwiches are purchased with a coffee," said Gilbert.

The ads were created by Hill, Holliday Hispanic, a division of Hill, Holliday, Dunkin' Donuts Boston-based agency of record. The agency opened its Miami-based practice last spring. The first Hispanic ad features an expectant mother lying in bed as her husband thoughtfully brings her a homemade breakfast of bacon and eggs. While the husband briefly peers out the window, Mom-to-be secretly flips the tray over, blaming it on the future soccer-playing baby who kicked it in the air from the womb. Instead of enjoying breakfast in bed, the couple makes a trip to Dunkin' Donuts where they enjoy delicious breakfast sandwiches.

"Numbering more than 40 million, the U.S. Hispanic population is an increasingly critical consumer group, and one which best responds to communications tailored to address its unique cultural values," said Jose Lopez-Varela, VP Managing Director of Hill, Holliday Hispanic. "We've created the new Dunkin' Donuts ads to communicate the brand's messages more relevantly to this audience."

About Dunkin' Donuts

Founded in 1950, Dunkin' Donuts is the number one retailer of coffee-by-the-cup in America, selling 2.7 million cups a day, nearly one billion cups a year. Dunkin' Donuts is also the largest coffee and baked goods chain in the world and sells more donuts, coffee, bagels and muffins than any other quick service restaurant in America. Dunkin' Donuts has more than 6,000 stores in the United States and 29 other countries. Based in Randolph, MA, Dunkin' Donuts is a wholly-owned subsidiary of Allied Domecq PLC (NYSE:AED). For more information, visit www.dunkindonuts.com.

About Hill, Holliday

Hill, Holliday, owned by the Interpublic Group of Companies Inc. (NYSE:IPG) and headquartered in Boston with offices in New York, San Francisco, Miami and Greenville, S.C., is one of the top communications agencies in the nation. Hill, Holliday has won every major award for advertising excellence and effectiveness and has among its roster of clients leading national and regional brands. Hill, Holliday can be found on the Web at www.hhcc.com.