INDUSTRY PROFILE

Global Beverages

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EXECUTIVE SUMMARY

Market value

The global beverages industry grew by 2.2% in 2009 to reach a value of $1,581.7 billion.

Market value forecast

In 2014, the global beverages industry is forecast to have a value of $1,775.3 billion, an increase of 12.2% since 2009.

Market volume

The global beverages industry grew by 3.6% in 2009 to reach a volume of 458.3 billion liters.

Market volume forecast

In 2014, the global beverages industry is forecast to have a volume of 542.5 billion liters, an increase of 18.4% since 2009.

Market segmentation I

Beer, cider & FABs is the largest segment of the global beverages industry, accounting for 34.5% of the industry's total value.

Market segmentation II

Europe accounts for 51% of the global beverages industry value.

Market share

The Coca-Cola Company is the leading player in the global beverages industry, generating a 16.1% share of the industry's volume.

Market rivalry

The global beverage industry is highly fragmented. The presence of leading incumbents and large numbers of market players boosts rivalry.

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Market definition

Definition: The global beverages industry consists of the total revenues generated through the sale of soft drinks (including bottled water, carbonates, functional drinks, juices, RTD tea and coffee, smoothies, but excluding concentrates), beers, ciders, flavored alcoholic beverages (FABs), spirits and wines. The market is valued at retail selling price with any currency conversions calculated using constant 2009 annual average exchange rates.

For the purposes of this report, the global market consists of North America, South America, Western Europe, Eastern Europe, and Asia-Pacific.

Research highlights

The global beverages industry generated total revenues of $1,581.7 billion in 2009, representing a compound annual growth rate (CAGR) of 2.6% for the period spanning 2005-2009.

Industry production volumes increased with a CAGR of 4% between 2005-2009, to reach a total of 458.3 billion liters in 2009.

The performance of the industry is forecast to decelerate, with an anticipated CAGR of 2.3% for the five-year period 2009-2014, which is expected to drive the industry to a value of $1,775.3 billion by the end of 2014.

Market analysis

The global beverages industry has slowed slightly in recent years. It is expected to remain steady with moderate growth throughout the forecast period. Overall, the sector's volume has grown at a greater rate than its value. Its volume has slowed in recent years too and is expected to continue to slow slightly towards 2014.

The global beverages industry generated total revenues of $1,581.7 billion in 2009, representing a compound annual growth rate (CAGR) of 2.6% for the period spanning 2005-2009. In comparison, the European and Asia-Pacific industries grew with CAGRs of 1.8% and 5.1% respectively, over the same period, to reach respective values of $806 billion and $306.4 billion in 2009.

Industry production volumes increased with a CAGR of 4% between 2005-2009, to reach a total of 458.3 billion liters in 2009. The industry's volume is expected to rise to 542.5 billion liters by the end of 2014, representing a CAGR of 3.4% for the 2009-2014 period.

Beer, cider & FAB sales proved the most lucrative for the global beverages industry in 2009, generating total revenues of $545.8 billion, equivalent to 34.5% of the industry's overall value. In comparison, sales of soft drinks generated revenues of $478.4 billion in 2009, equating to 30.2% of the industry's aggregate revenues.

The performance of the industry is forecast to decelerate, with an anticipated CAGR of 2.3% for the five-year period 2009-2014, which is expected to drive the industry to a value of $1,775.3 billion by the end of 2014. Comparatively, the European and Asia-Pacific industries will grow with CAGRs of 1.5% and 4.9% respectively, over the same period, to reach respective values of $867.3 billion and $388.2 billion in 2014.

MARKET VALUE

The global beverages industry grew by 2.2% in 2009 to reach a value of $1,581.7 billion.

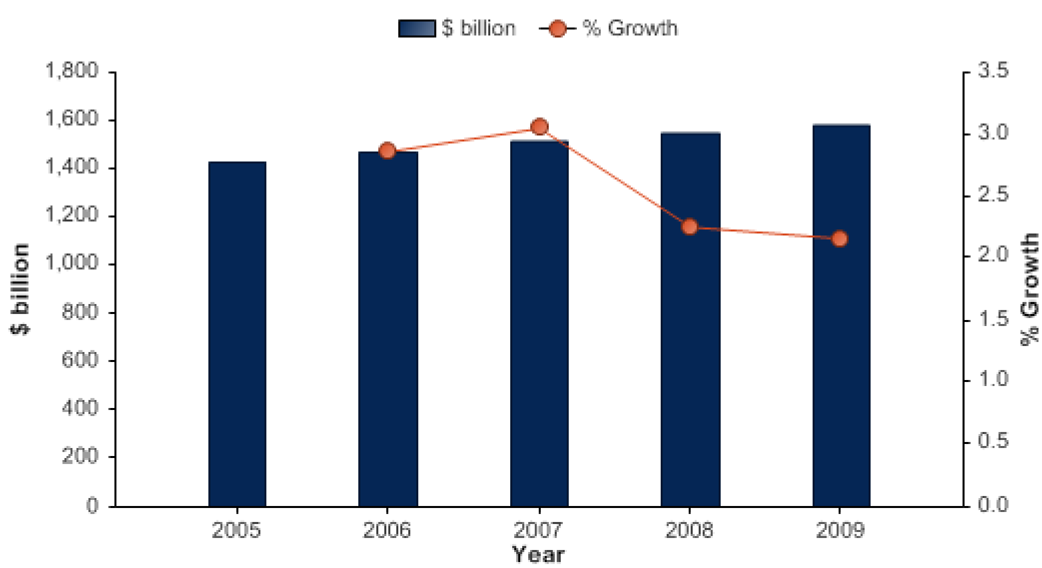
The compound annual growth rate of the industry in the period 2005–09 was 2.6%.

Table 1: Global beverages industry value: $ billion, 2005–09

Year	$ billion	€ billion	% Growth
2005	1,428.4	1,027.3	
2006	1,469.3	1,056.7	2.9%
2007	1,514.1	1,088.9	3.0%
2008	1,548.3	1,113.5	2.3%
2009	1,581.7	1,137.5	2.2%
CAGR: 2005–09			**2.6%**

Source: Datamonitor **DATAMONITOR**

Figure 1: Global beverages industry value: $ billion, 2005–09



Source: Datamonitor **DATAMONITOR**

MARKET VOLUME

The global beverages industry grew by 3.6% in 2009 to reach a volume of 458.3 billion liters.

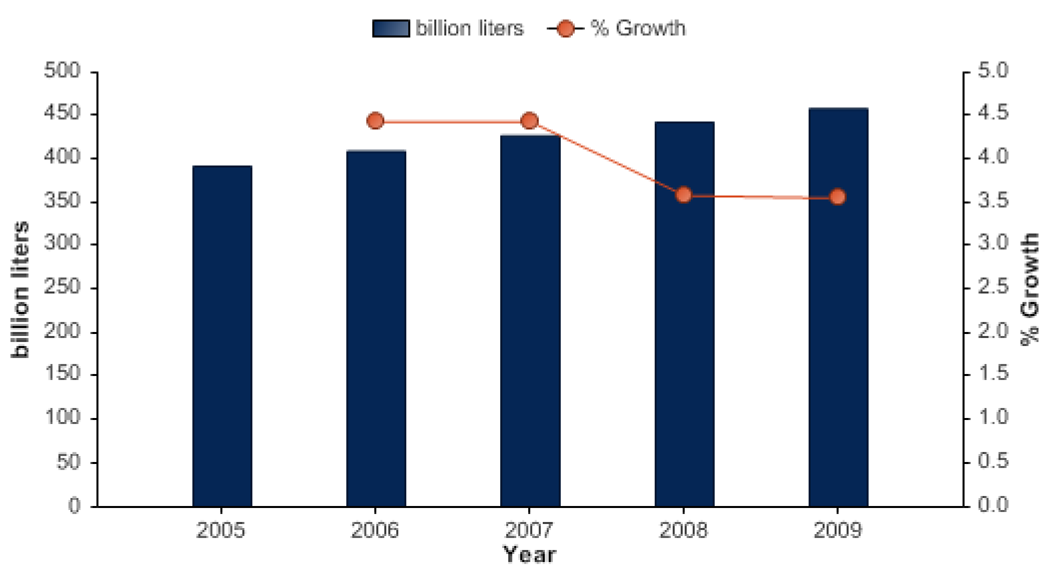
The compound annual growth rate of the industry in the period 2005–09 was 4%.

Table 2: Global beverages industry volume: billion liters, 2005–09

Year	billion liters	% Growth
2005	391.8	
2006	409.1	4.4%
2007	427.3	4.4%
2008	442.6	3.6%
2009	458.3	3.6%
CAGR: 2005–09		**4.0%**

Source: Datamonitor **DATAMONITOR**

Figure 2: Global beverages industry volume: billion liters, 2005–09



Source: Datamonitor **DATAMONITOR**

MARKET SEGMENTATION I

Beer, cider & FABs is the largest segment of the global beverages industry, accounting for 34.5% of the industry's total value.

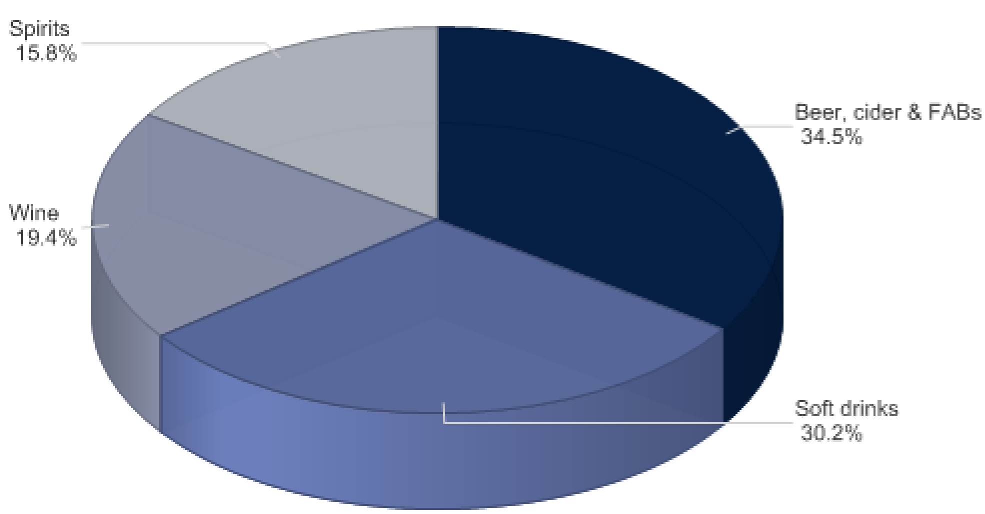
The soft drinks segment accounts for a further 30.2% of the industry.

Table 3: Global beverages industry segmentation I:% share, by value, 2009

Category	% Share
Beer, cider & FABs	34.5%
Soft drinks	30.2%
Wine	19.4%
Spirits	15.8%
Total	**100%**

Source: Datamonitor **DATAMONITOR**

Figure 3: Global beverages industry segmentation I:% share, by value, 2009



Source: Datamonitor **DATAMONITOR**

MARKET SEGMENTATION II

Europe accounts for 51% of the global beverages industry value.

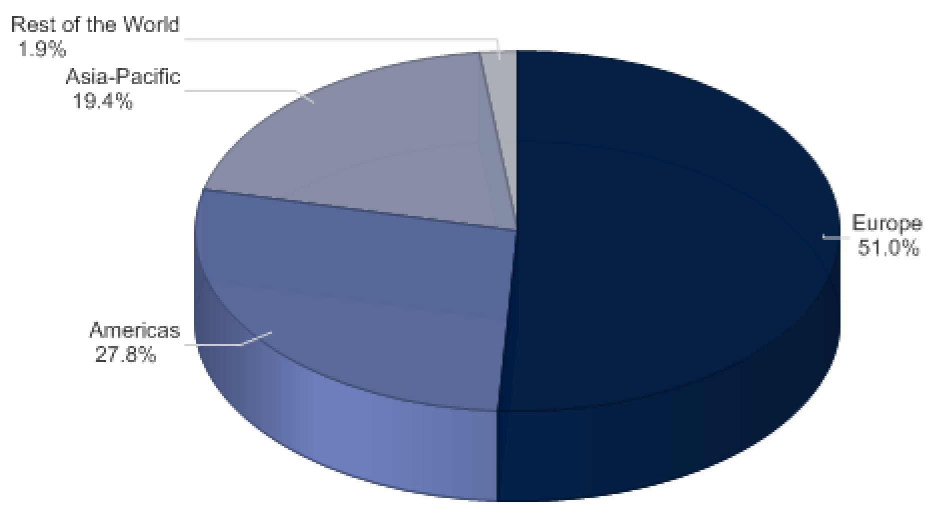
Americas accounts for a further 27.8% of the global industry.

Table 4: Global beverages industry segmentation II: % share, by value, 2009

Category	% Share
Europe	51.0%
Americas	27.8%
Asia-Pacific	19.4%
Rest of the World	1.9%
Total	**100%**

Source: Datamonitor **DATAMONITOR**

Figure 4: Global beverages industry segmentation II: % share, by value, 2009



Source: Datamonitor **DATAMONITOR**

MARKET SHARE

The Coca-Cola Company is the leading player in the global beverages industry, generating a 16.1% share of the industry's volume.

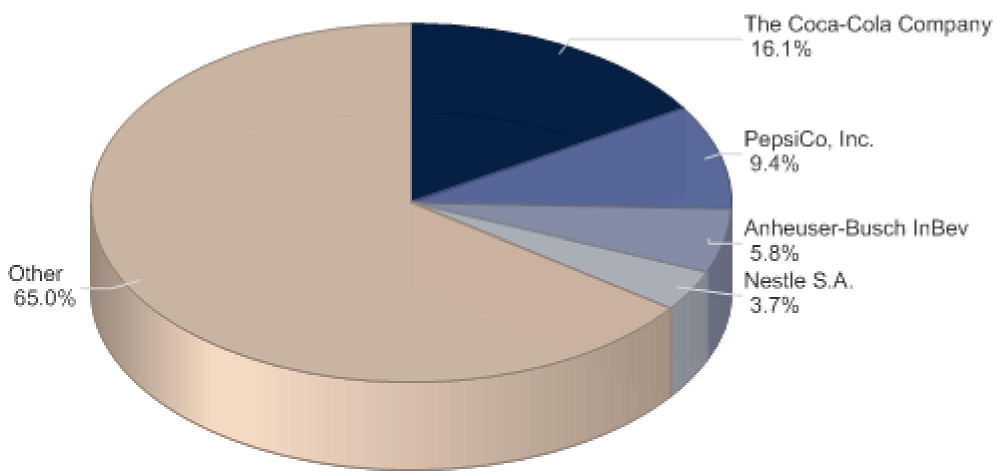
PepsiCo, Inc. accounts for a further 9.4% of the industry.

Table 5: Global beverages industry share: % share, by volume, 2009

Company	% Share
The Coca-Cola Company	16.1%
PepsiCo, Inc.	9.4%
Anheuser-Busch InBev	5.8%
Nestle S.A.	3.7%
Other	65.0%
Total	**100%**

Source: Datamonitor **DATAMONITOR**

Figure 5: Global beverages industry share: % share, by volume, 2009



Source: Datamonitor **DATAMONITOR**

COMPETITIVE LANDSCAPE

The beverages market will be analyzed taking beverage manufacturers as players. The key buyers will be taken as retailers and on-trade companies, and raw material producers and packaging providers as the key suppliers.

The global beverage industry is highly fragmented. The presence of leading incumbents and large numbers of market players boosts rivalry.

The global beverage industry is characterized by the presence of large companies such as PepsiCo and Coca-Cola. However the market is still fragmented. There are a large number of buyers present, who have a large amount of financial muscle with enhances their power somewhat. Various raw materials are needed within this industry, with suppliers able to provide to a wide spectrum of sectors. Entrance to the industry could prove problematic when the large scale of leading incumbents and brand loyalty is taken into account, however substitutes are cheaper and just as popular with consumers, providing new entrants with an avenue to entrance. All of these factors increase rivalry between players.

Typical buyers within this industry are large retailers who hold a great amount of financial muscle which allows them to make large purchases and enter into long term contracts with market players. The loss of one retailer could significantly impact upon a manufacturer’s revenue and switching costs are usually low. This boosts buyer power somewhat. Buyers must meet consumer end-user demand, meaning they must stock popular products, which reduces their power somewhat. Furthermore, beverage manufacturers usually differentiate their products, meaning they can occupy different areas of the beverage industry at the same time, reducing their reliance on revenues from one product. As retailers operate within a distinct business structure, there is a reduced likelihood of them integrating backwards, however certain brewers have integrated forwards by operating chains of pubs or other outlets. This further reduces buyer power as brewers can then sell directly to consumers. Overall, buyer power is moderate.

The production of beverages requires an array of raw materials and processes, depending on the beverage. Wine and spirit distillery requires raw materials such as cereal grains and grapes whilst beer brewing requires malted grain and hops. The manufacture of soft drinks requires natural and synthetic sweeteners. Thus the range of suppliers used in this industry is varied. However, the raw materials required are highly specific and so market players are reliant on suppliers. On the other hand, these materials are highly undifferentiated, meaning that players can choose alternative suppliers when it suits them. Some beverage producers have integrated backwards into producing their own raw materials, negating the need for suppliers. Alternatively, suppliers can provide their products to a number of markets, for example barley can be sold for animal feed. Furthermore, suppliers can integrate forwards into beverage production, with boosts supplier power. Overall, supplier power is moderate.

Entrance to this industry can be achieved by starting up a new company, an existing company diversifying operations or by the acquisition of an existing company. There is growing opportunity to enter the industry on a small scale by occupying a niche. There has been increased demand for organic products, including organic wines, spirits and beers. These specialty products can often be sold at a higher price. In order to compete with leading incumbents, new entrants must operate on a large scale. This requires significant capital outlay, which poses a barrier to entry for some. Furthermore, leading incumbents have strong brands already present within the industry. Brand loyalty is key in this industry and can therefore provide increased competition. New entrants need to access distribution channels, such as retailers. This can prove problematic as retailers are likely to stock brands popular with consumers, thus may be less willing to give any shelf space to new products until they are well established. Since the economic downturn, manufacturers have sought cost-effective packaging, which also helps differentiate products. There has been expansion in the use of newer substrates (such as RPET, PLA and other biodegradable plastics, barrier films and pouches). Innovative packaging shapes and designs are aimed at specific target consumers. Value added functional features have been introduced (i.e. re-closable can ends and pouches designed for vending applications), which are used to attract more customers. Most countries operate stringent regulations regarding beverage production, in particular that of alcoholic beverages which coupled with moderate industry growth over recent years could prove off-putting to new entrants. Overall there is a moderate threat of new entrants to this industry.

The main substitutes to soft drinks and alcoholic beverages are other beverages such as tea, coffee or milk. Switching costs for retailers are not high, meaning they can stock these products which are also popular with consumers and therefore may prove advantageous for retailers in terms of cost. Some of the leading players within this sector have diversified operations, for example Nestle also produces soft drinks as well as coffee, which reduces the threat posed by substitutes. These substitutes are often cheaper, as beverage prices tend to be scaled with their alcohol concentration. It is difficult to define the benefits of alternatives as it is simply down to the personal taste of the end-user. Overall, there is a moderate threat from substitutes.

The global beverage industry is fragmented with leading incumbents such as Coca-Cola, Pepsi Co, Nestle and Anheuser Busch holding 35.1% of the total industry value. The large number of industry players serves to increase rivalry. Products are easily differentiated, with brand loyalty having a key influence. Furthermore, leading incumbents operate in a range of sectors meaning they are less reliant on beverage revenues. However retailers have a large number of brands and beverages to choose from, with relatively low switching costs, meaning consumer demand takes providence. This boosts rivalry further. As leading incumbents operate in a wide range of sectors, they must operate large plants. This means that there are high exit costs implied with the divestment of specialized assets a necessity, increasing rivalry further. Moderate industry growth over recent years does little to reduce the level of rivalry, however developing markets in the middle east provide market players with viable expansion opportunities. Overall, there is a moderate degree of rivalry in this industry.

LEADING COMPANIES

Anheuser-Busch Companies, Inc.

Table 6: Anheuser-Busch Companies, Inc.: key facts

Head office:	1 Busch Place, St. Louis, Missouri 63118, USA
Telephone:	1 314 577 2000
Fax:	1 314 577 2900
Website:	www.anheuser-busch.com
Financial year-end:	December
Ticker:	BUD
Stock exchange:	New York

Source: company website **D A T A M O N I T O R**

Anheuser-Busch Companies (Anheuser-Busch) is the holding company of Anheuser-Busch, Incorporated (ABI), a beer brewer. The company is also engaged in the packaging and entertainment businesses. The company operates primarily in the US. It is headquartered in St Louis, Missouri and employed about 120,000 people as of December 31, 2008.

Anheuser-Busch is one of the world's largest brewers, best known for its Budweiser and Bud Light brands. The company is also the parent company to a number of subsidiaries that conduct various other business operations.

The company is engaged in the business of real estate development, through its wholly-owned subsidiary, Busch Properties (BPI), which also owns and operates the Kingsmill Resort and Conference Center in Williamsburg, Virginia. It also owns and operates a transportation service business through its wholly-owned subsidiary, Manufacturers Railway. The company, through its wholly owned subsidiary, Busch Agricultural Resources, (BARI) also operates rice milling facilities in Jonesboro, Arkansas and Woodland, California; eight grain elevators in the western and Midwestern US; barley seed processing plants in Fairfield, Montana, Idaho Falls, Idaho, and Powell, Wyoming; and a barley research facility in Ft. Collins, Colorado. BARI also owns and operates malt plants in Manitowoc, Wisconsin, Moorhead, Minnesota, and Idaho Falls, Idaho. BARI also operates land application farms in Jacksonville, Florida and Fort Collins, Colorado; hop farms in Bonners Ferry, Idaho and Huell, Germany; and a barley purchasing office in Winnipeg, Canada. Anheuser-Busch procures its raw material requirements from subsidiaries, through contractual arrangements or from the open market.

Anheuser-Busch owns 12 brewing facilities in the US and 13 in China. The company also owns five malt plants, three rice plants, two hop plants; four can manufacturing plants, three lid plants, and an aluminum and glass plant. The company's distribution in the domestic market is managed by its subsidiary Anheuser-Busch, Incorporated and in the overseas market by Anheuser-Busch International.

The company operates through the following segments: US beer, international beer, packaging, and entertainment.

The US beer segment consists of the company's US beer manufacturing and company-owned beer wholesale sales operations, including vertically integrated rice, barley and hops operations. It operates through the subsidiary ABI, which produces and distributes beer under brand names such as Budweiser, Michelob, Busch, Natural Light and Natural Ice. Additionally, the segment offers specialty beers (under brand names such as Bare Knuckle Stout and American Red); non-alcohol brews (O'Doul's and O'Doul's Amber); malt liquors (King Cobra, Hurricane High Gravity, Hurricane Ice and Hurricane Malt) and specialty malt beverages (through its alliance with Bacardi). The company's subsidiary, Long Tail Libations, markets a liquor product, Jekyll & Hyde. Anheuser-Busch also has a malt-based product, Spykes, which contains caffeine, ginseng and guarana. Also included in the segment are energy drinks and water products, 180, 180X3 and 180 Sport.

The international beer segment operates through Anheuser-Busch International (ABI), a wholly-owned subsidiary. It operates breweries in the UK and China, negotiates and administers license and contract brewing agreements on behalf of Anheuser-Busch with various foreign brewers; it negotiates and manages equity investments in foreign brewing partners.

Through Anheuser-Busch Europe Limited (ABEL), an indirect, wholly-owned subsidiary of the company, certain ABI beer brands are marketed, distributed, and sold in more than thirty countries. In the UK, ABEL sells Budweiser, Bud Ice, Bud Silver, Michelob, and Michelob ULTRA brands to selected on-premise accounts, brewers, wholesalers, and directly to off-premise accounts. Budweiser, Bud Ice, Bud Silver, Michelob, and Michelob ULTRA are brewed and packaged at the Stag Brewery near London, England, which is managed and operated by ABEL. Harbin 1900 is imported into the UK by ABEL.

In China, the company has a 97% equity interest in the Budweiser Wuhan International Brewing Company (BWIB), a joint venture that owns and operates a brewery in Wuhan. The company also operates the Budweiser (China) Sales Company an indirect wholly-owned subsidiary. In China, BWIB and China Sales Company currently produce and sell Budweiser, Bud Ice, Bud Ultra, Bud Genuine Draft, Harbin Ice and Harbin 1900. China Sales Company also distributes other Harbin brands. In Canada and Japan, the company sells its brands through licensee agreement with Labatt Brewing Company and Kirin Brewery Company, respectively.

Budweiser is also brewed under license and sold by brewers in the Republic of Ireland and Northern Ireland (Guinness Ireland), Italy (Heineken Italia), Spain (Sociedad Anonima Damm), and Korea (Oriental Brewery). In Mexico, Budweiser, Bud Light, O'Doul's and the 180 energy drink are imported and distributed by a wholly-owned subsidiary of Grupo Modelo (Cervezas Internacionales).

Anheuser-Busch's packaging operations include the following wholly-owned subsidiaries: Metal Container Corporation (MCC), which manufactures beverage cans at eight plants and beverage can lids at three plants, and sells the cans to ABI and US soft drink customers; Anheuser-Busch Recycling Corporation, which buys and sells used aluminum beverage containers from its corporate office in Sunset Hills, Missouri and recycles aluminum containers at its plant in Hayward, California; Precision Printing and Packaging, which manufactures pressure sensitive, metal-covered, plastic and paper labels at its plant in Clarksville, Tennessee; and Eagle Packaging, which manufactures crown and closure liner materials for ABI at its plant in Bridgeton, Missouri. Through a wholly-owned limited partnership, Longhorn Glass Manufacturing, Anheuser-Busch owns and operates a glass manufacturing plant in Jacinto City, Texas, which manufactures glass bottles for the company's Houston brewery.

The company's entertainment operations are operated through its wholly-owned subsidiary, Busch Entertainment Corporation (BEC), which owns, directly and through subsidiaries, ten theme parks. BEC operates Busch Gardens theme parks in Tampa, Florida and Williamsburg, Virginia, and SeaWorld theme parks in Orlando, Florida, San Antonio, Texas, and San Diego, California. BEC also operates water park attractions in Tampa, Florida (Adventure Island) and Williamsburg, Virginia (Water Country, USA), and Langhorne, Pennsylvania (Sesame Place), as well as Discovery Cove in Orlando, Florida, a reservations-only attraction, offering interaction with marine animals.

Key Metrics

The company recorded revenues of $22,390 million in the fiscal year ending December 2008, an increase of 11.6% compared to fiscal 2007. Its net income was $2,919 million in fiscal 2008, compared to a net income of $4,238 million in the preceding year.

More recent financial information was not available for this company at the time of publication.

Table 7: Anheuser-Busch Companies, Inc.: key financials ($)

$ million	2004	2005	2006	2007	2008
Revenues	11,913.9	16,207.8	18,504.9	20,065.1	22,390.0
Net income (loss)	1,614.4	1,949.5	2,956.2	4,238.3	2,918.7
Total assets	25,857.9	32,761.8	36,495.4	39,906.3	113,066.6
Total liabilities	13,996.9	16,284.3	19,444.9	20,960.6	88,656.2
Employees	74,694	77,366	85,617	89,000	120,000

Source: company filings **DATAMONITOR**

Table 8: Anheuser-Busch Companies, Inc.: key financials (€)

€ million	2004	2005	2006	2007	2008
Revenues	8,568.0	11,656.0	13,308.0	14,430.0	16,102.0
Net income (loss)	1,161.0	1,402.0	2,126.0	3,048.0	2,099.0
Total assets	18,596.0	23,561.0	26,246.0	28,699.0	81,313.0
Total liabilities	10,066.0	11,711.0	13,984.0	15,074.0	63,758.0

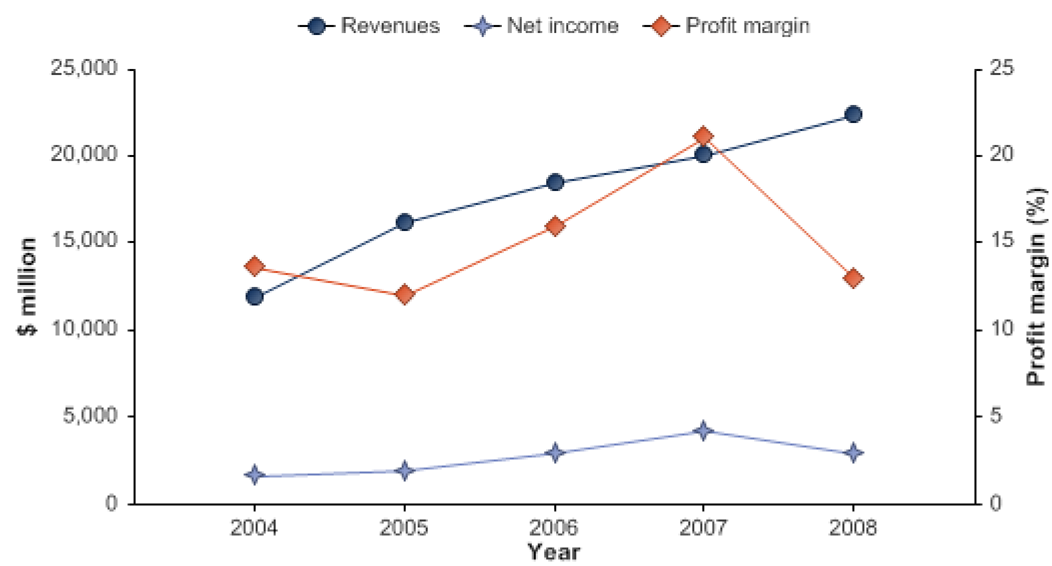
Source: company filings **DATAMONITOR**

Table 9: Anheuser-Busch Companies, Inc.: key financial ratios

Ratio	2004	2005	2006	2007	2008
Profit margin	13.6%	12.0%	16.0%	21.1%	13.0%
Revenue growth	22.3%	36.0%	14.2%	8.4%	11.6%
Asset growth	69.3%	26.7%	11.4%	9.3%	183.3%
Liabilities growth	60.7%	16.3%	19.4%	7.8%	323.0%
Debt/asset ratio	54.1%	49.7%	53.3%	52.5%	78.4%
Return on assets	7.9%	6.7%	8.5%	11.1%	3.8%
Revenue per employee	$159,503	$209,495	$216,136	$225,450	$186,583
Profit per employee	$21,613	$25,198	$34,529	$47,621	$24,322

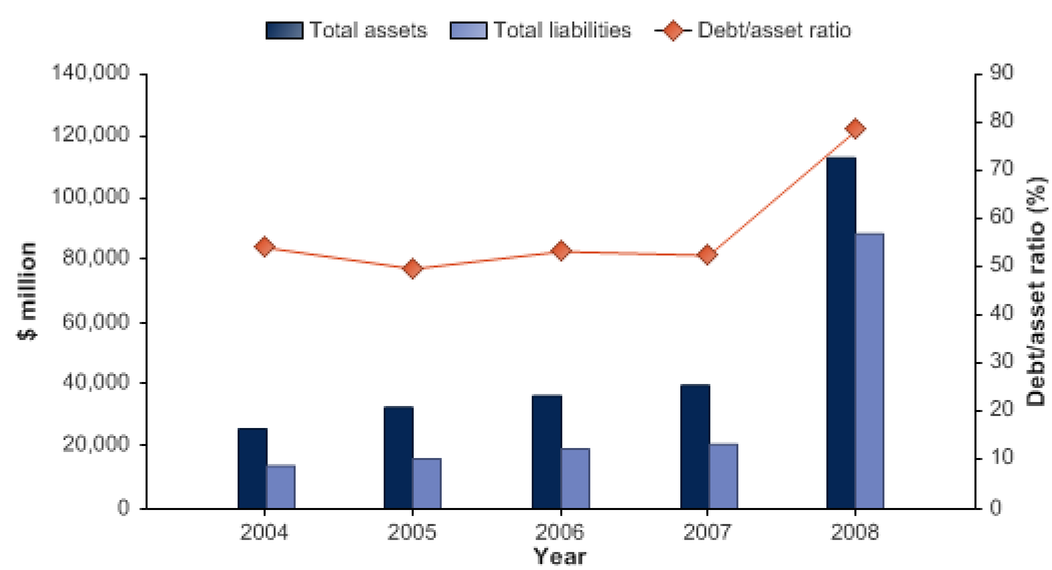
Source: company filings **DATAMONITOR**

Figure 6: Anheuser-Busch Companies, Inc.: revenues & profitability



Source: company filings DATAMONITOR

Figure 7: Anheuser-Busch Companies, Inc.: assets & liabilities



Source: company filings DATAMONITOR

Nestlé SA

Table 10: Nestlé SA: key facts

Head office:	Avenue Nestle 55, 1800 Vevey, CHE
Telephone:	41 21 924 2111
Fax:	41 21 924 2813
Website:	www.nestle.com
Financial year-end:	December
Ticker:	NESN
Stock exchange:	Six Swiss Exchange

Source: company website **DATAMONITOR**

Nestlé is the largest food and beverage company in the world. The group's products include beverages, milk based products, ice creams, prepared dishes, and pharmaceutical products. Nestlé primarily operates in Europe, the Americas, Asia, Oceania and Africa. The group is headquartered in Vevey, Switzerland and employs 278,000 people.

Nestlé, the holding company of the Nestlé Group, is engaged in the business of manufacturing and marketing branded food and beverages. Nestlé operates in Europe, the Americas, Asia, Oceania and Africa.

Nestlé's primary reporting segment is divided into three geographic zones and two globally managed businesses. The three geographic zones are Zone Europe, Zone Americas, and Zone Asia, Oceania and Africa. The two globally managed businesses include Nestlé waters and Nestlé nutrition.

The remaining smaller businesses, primarily Nespresso and the two joint ventures, Cereal Partners Worldwide (with General Mills) and Beverage Partners Worldwide (with Coca Cola), are grouped together as other food and beverages division.

Nestlé operates through six divisions that are organized along product groups. These include: beverage; milk products, nutrition and ice cream; prepared dishes and cooking aids; confectionery; pet care products; and pharmaceutical products.

The key products of the beverage division include coffee, chocolate-based and malted drinks, bottled water, and fruit juices. Nescafe, the flagship soluble coffee product of this division, is one of the leading brands in the world. The group's coffee range also includes Nespresso (espresso coffee in capsules). Nestlé is a major producer of chocolate-based and malted drinks. Its leading brands include Nesquik, Milo and Nescau. Pierre and Pure Life are popular brands in Nestlé Waters, which has strong presence in the US and Europe. Nestlé Waters is established in 130 countries and markets about 70 different brands. Nestlé also produces fruit juices (Libby's).

The prepared dishes and cooking aids division includes frozen and chilled, culinary and other businesses. Its popular brands include Hot Packets, Stouffer's, Lean Cuisine, Nestlé Bake It, and Torchin. Nestlé's prepared dishes brands leads in North America and is second in Europe, while cooking aid products are leading in the world. This division also includes the breakfast cereals business of Nestlé comprising products such as infant, junior and all family cereals, breakfast cereals, and cereal and performance bars.

The milk products, nutrition and ice cream division includes three main businesses. The milk products division produces products such as yoghurts and desserts. Its popular brands include Nido, Everyday, Latte Creations, and Sveltesse.

The Nestlé Nutrition business comprises four sub-business divisions: infant, healthcare, performance nutrition and Jenny Craig. Infant sub division includes infant cereals, meals and drinks, and growing up milks. Healthcare sub divisions include nutritionally enriched foods and drinks, nutritionally complete peptide-based formulas and nutritionally complete whole protein feed. Key brands in this sub division include Nutren, Clinutren, Peptamen and Modulen. The performance nutrition division provides sports nutrition products and nutrition products for women. Key brands in this sub division include PowerBar and Pria. Jenny Craig is a weight management company offering consumers a range of branded nutritional products and services in the US, Canada, Australia and New Zealand.

The ice cream business includes brands such as Slow Churned Dreyer's Grand Light, Sveltesse stick, Haagen Dazs, and Legend Real Dairy.

The confectionery division mainly deals with chocolate and related confectionary products. This segment's products are marketed under brands such as Kit Kat, Aero Caramel, Butterfinger Crisp, Rossiya, Orion, and Allen's.

The pet care products division consists of some of the popular names in pet food products such as Purina Dog Chow, Purina Beneful, and Purina ONE.

The pharmaceutical products division of Nestlé includes the operations of Alcon, as well as joint-ventures with pharmaceutical and cosmetic companies such as Galderma and Laboratories Inneov. Alcon develops, manufactures and markets pharmaceuticals, surgical equipment and devices, and consumer eye care products to treat diseases and disorders of the eye.

Key Metrics

The company recorded revenues of $99,000 million in the fiscal year ending December 2009, a decrease of 2.1% compared to fiscal 2008. Its net income was $10,849 million in fiscal 2009, compared to a net income of $17,525 million in the preceding year.

The Nestle Waters business division generated revenues of CHF9,589 million (approximately $8,821 million) whilst the Nestle Nutrition business segment accrued revenues of CHF10,375 million (approximately $9,544 million) in fiscal 2009.

Table 11: Nestlé SA: key financials ($)

$ million	2005	2006	2007	2008	2009
Revenues	83,818.6	90,573.6	98,939.3	101,106.7	99,000.0
Net income (loss)	7,915.0	8,460.5	9,796.2	17,525.4	10,848.6
Total assets	94,492.4	93,652.5	106,123.0	97,709.4	102,033.9
Total liabilities	45,138.7	45,036.6	55,733.4	47,191.0	52,697.7
Employees	250,000	265,000	276,000	283,000	278,000

Source: company filings **DATAMONITOR**

Table 12: Nestlé SA: key financials (CHF)

CHF million	2005	2006	2007	2008	2009
Revenues	91,115.0	98,458.0	107,552.0	109,908.0	107,618.0
Net income (loss)	8,604.0	9,197.0	10,649.0	19,051.0	11,793.0
Total assets	102,718.0	101,805.0	115,361.0	106,215.0	110,916.0
Total liabilities	49,068.0	48,957.0	60,585.0	51,299.0	57,285.0

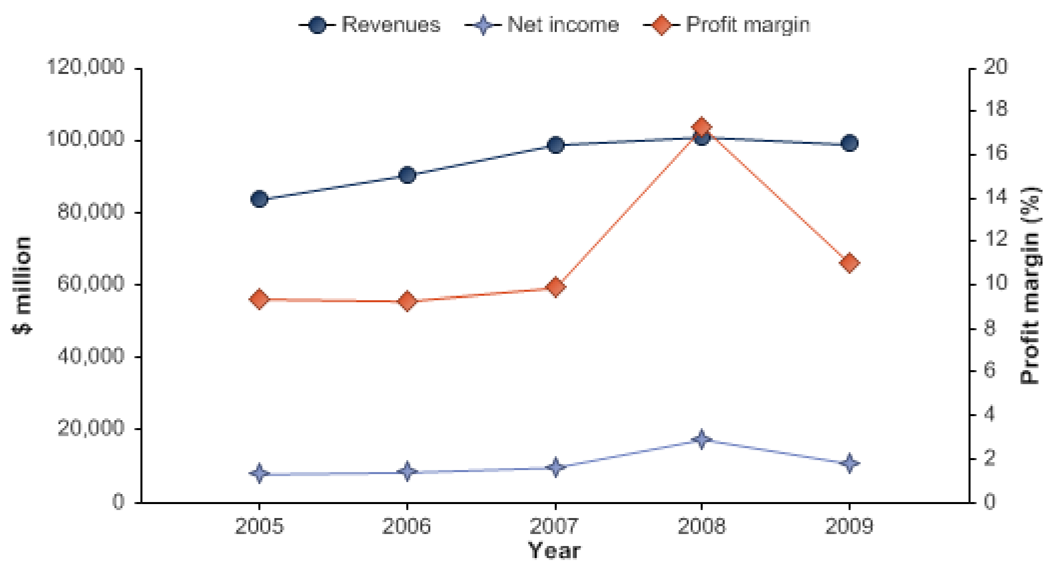
Source: company filings **DATAMONITOR**

Table 13: Nestlé SA: key financial ratios

Ratio	2005	2006	2007	2008	2009
Profit margin	9.4%	9.3%	9.9%	17.3%	11.0%
Revenue growth	5.0%	8.1%	9.2%	2.2%	(2.1%)
Asset growth	17.9%	(0.9%)	13.3%	(7.9%)	4.4%
Liabilities growth	4.8%	(0.2%)	23.8%	(15.3%)	11.7%
Debt/asset ratio	47.8%	48.1%	52.5%	48.3%	51.6%
Return on assets	9.1%	9.0%	9.8%	17.2%	10.9%
Revenue per employee	$335,274	$341,787	$358,476	$357,267	$356,115
Profit per employee	$31,660	$31,926	$35,494	$61,927	$39,024

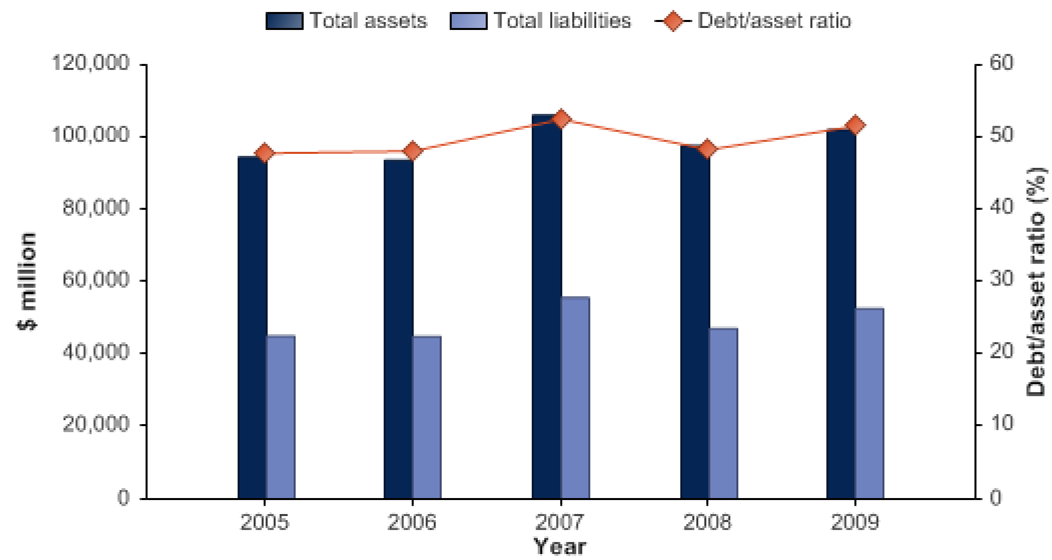
Source: company filings **DATAMONITOR**

Figure 8: Nestlé SA: revenues & profitability



Source: company filings **DATAMONITOR**

Figure 9: Nestlé SA: assets & liabilities



Source: company filings **DATAMONITOR**

PepsiCo, Inc.

Table 14: PepsiCo, Inc.: key facts

Head office:	700 Anderson Hill Road, Purchase, New York 10577, USA
Telephone:	1 914 253 2000
Fax:	1 914 253 2070
Website:	www.pepsico.com
Financial year-end:	December
Ticker:	PEP
Stock exchange:	New York

Source: company website **DATAMONITOR**

PepsiCo is one of the largest food and beverages companies in the world. It manufactures, markets, and sells a variety of salty, sweet and grain-based snacks, as well as carbonated and non-carbonated beverages. The company has 18 brands in its portfolio which generate over $1,000 million each in annual retail sales. Some of PepsiCo's brand names are more than 100-years-old. PepsiCo's brands are available in nearly 200 countries and generate sales of more than $98 billion at the retail level (including sales of partners and franchised bottlers). Some of these include: Pepsi-Cola, Mountain Dew, Diet Pepsi, Gatorade, Lay's and Tropicana beverages. PepsiCo is headquartered in New York and employed 198,000 people as of December 31, 2008.

PepsiCo operates through three business units: PepsiCo Americas Foods (PAF), PepsiCo Americas Beverages (PAB), and PepsiCo International (PI).

The company's PAF business unit includes Frito-Lay North America (FLNA), Quaker Foods North America (QFNA), Latin American food and snack businesses (LAF), and Sabritas and Gamesa businesses in Mexico.

The PAB business unit includes PepsiCo Beverages North America (PBNA) and Latin American beverage businesses.

The PI business unit includes PepsiCo's businesses in the UK, Europe, Asia, Middle East, and Africa.

The company's three business units are further divided into six reportable segments: FLNA, QFNA, LAF, PAB, the UK and Europe (UKEU), and Middle East, Africa and Asia (MEAA).

FLNA segment markets and distributes branded snacks. These snacks include Lay's potato chips, Doritos tortilla chips, Cheetos cheese flavored snacks, Tostitos tortilla chips, branded dips, Fritos corn chips, Ruffles potato chips, Quaker Chewy granola bars, SunChips multigrain snacks, Rold Gold pretzels, Santitas tortilla chips, Frito-Lay nuts, Grandma's cookies, Gamesa cookies, Munchies snack mix, Funyuns onion flavored rings, Quaker Quakes corn and rice snacks, Miss Vickie's potato chips, Stacy's pita chips, Smartfood popcorn, Chester's fries and branded crackers. FLNA segment uses its own as well as third party manufacturing facilities for producing its snacks products. It sells these products through independent distributors and retailers.

QFNA segment manufactures, markets, and sells branded products including cereals, rice, and pasta. The segment's products include Quaker oatmeal, Aunt Jemima mixes and syrups, Quaker grits, Cap'n Crunch cereal, Life cereal, Rice-A-Roni, Pasta Roni, and Near East side dishes. These branded products are sold to independent distributors and retailers.

LAF business includes operations in Brazil, Argentina, and Venezuela. LAF handles number of leading salty and sweet snack brands including Gamesa, Doritos, Cheetos, Ruffles, Sabritas and Lay's. Additionally, to manufacture Quaker brand cereals and snacks the segment utilizes its own as well as third party production facilities. These branded products are sold to independent distributors and retailers.

The PAB segment deals in beverage concentrate, fountain syrups, and finished goods. The segment sells these products under various beverage brands including Pepsi, Mountain Dew, Gatorade, Tropicana Pure Premium, Sierra Mist, Mirinda, Tropicana juice drinks, Propel, Dole, Amp Energy, SoBe Lifewater, Naked juice and Izze. Additionally, PAB also sells ready-to-drink tea and coffee through joint ventures with Unilever and Starbucks. Further, the segment licenses the Aquafina water brand to its bottlers and markets this brand. PAB sells concentrate and finished goods for some of these brands to authorized bottlers. It also directly sells these branded finished goods to independent distributors and retailers. The bottlers sell its brands as finished goods to independent distributors and retailers.

UKEU segment operates through consolidated businesses as well as through non-controlled affiliates. The segment distributes number of snack brands including Lay's, Walkers, Doritos, Cheetos and Ruffles. Further, UKEU manufactures and sells many Quaker brand cereals and snacks. UKEU also manufactures, markets, and sells beverage concentrates, fountain syrups and finished goods, under various beverage brands including Pepsi, 7UP and Tropicana. In addition, UKEU licenses the Aquafina water brand to certain of its authorized bottlers. UKEU also markets ready-to-drink tea products through an international joint venture with Unilever (under the Lipton brand name).

MEAA segment carries out all the activities in its geography that the company does in the UKEU region.

Key Metrics

The company recorded revenues of $43,251 million in the fiscal year ending December 2008, an increase of 9.6% compared to fiscal 2007. Its net income was $5,142 million in fiscal 2008, compared to a net income of $5,658 million in the preceding year.

More recent financial information was not available for this company at the time of publication.

Table 15: PepsiCo, Inc.: key financials ($)

$ million	2004	2005	2006	2007	2008
Revenues	29,261.0	32,562.0	35,137.0	39,474.0	43,251.0
Net income (loss)	4,174.0	4,078.0	5,642.0	5,658.0	5,142.0
Total assets	27,987.0	31,727.0	29,930.0	34,628.0	35,994.0
Total liabilities	14,464.0	17,476.0	14,562.0	17,394.0	23,888.0
Employees	153,000	157,000	168,000	185,000	198,000

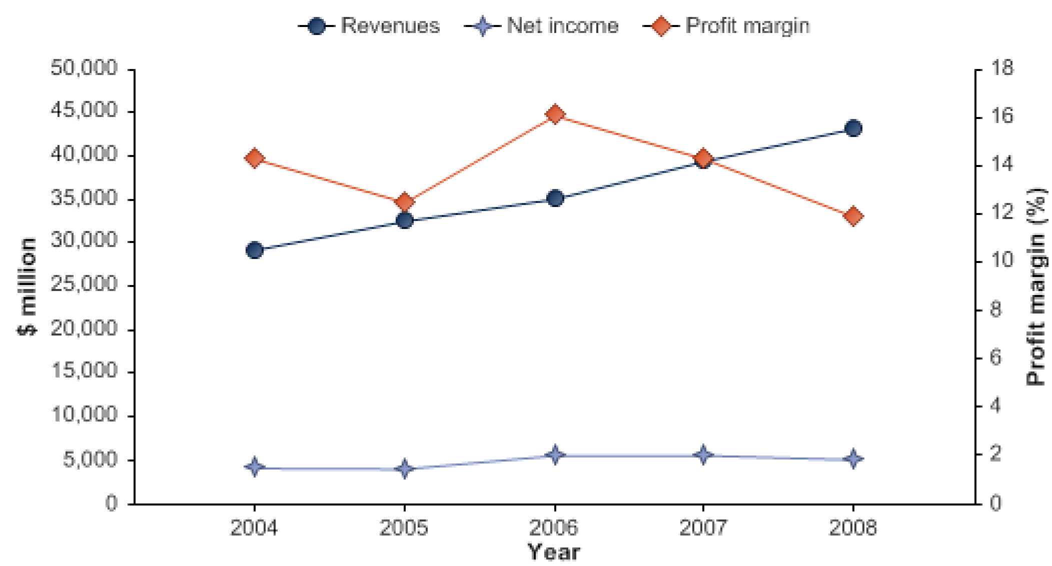
Source: company filings **DATAMONITOR**

Table 16: PepsiCo, Inc.: key financial ratios

Ratio	2004	2005	2006	2007	2008
Profit margin	14.3%	12.5%	16.1%	14.3%	11.9%
Revenue growth	8.5%	11.3%	7.9%	12.3%	9.6%
Asset growth	10.5%	13.4%	(5.7%)	15.7%	3.9%
Liabilities growth	7.5%	20.8%	(16.7%)	19.4%	37.3%
Debt/asset ratio	51.7%	55.1%	48.7%	50.2%	66.4%
Return on assets	15.7%	13.7%	18.3%	17.5%	14.6%
Revenue per employee	$191,248	$207,401	$209,149	$213,373	$218,439
Profit per employee	$27,281	$25,975	$33,583	$30,584	$25,970

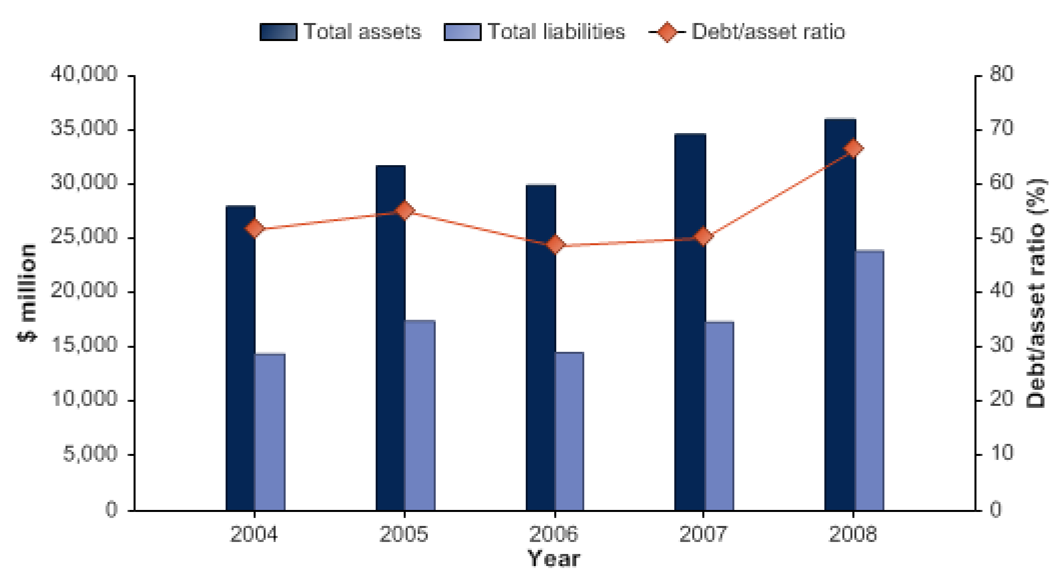
Source: company filings **DATAMONITOR**

Figure 10: PepsiCo, Inc.: revenues & profitability



Source: company filings **DATAMONITOR**

Figure 11: PepsiCo, Inc.: assets & liabilities



Source: company filings **DATAMONITOR**

The Coca-Cola Company

Table 17: The Coca-Cola Company: key facts

Head office:	One Coca-Cola Plaza, Atlanta, Georgia 30313, USA
Telephone:	1 404 676 2121
Fax:	1 404 676 6792
Website:	www.thecoca-colacompany.com
Financial year-end:	December
Ticker:	KO
Stock exchange:	New York

Source: company website **D A T A M O N I T O R**

The Coca-Cola Company (TCCC) is a leading manufacturer, distributor and marketer of non-alcoholic beverage concentrates and syrups. The company owns or licenses more than 500 brands, including diet and light beverages, waters, juice and juice drinks, teas, coffees, and energy and sports drinks. The company operates in more than 200 countries. The company is headquartered in Atlanta, Georgia and employed 92,800 people as of December 31, 2009.

The company owns the world's most valuable brand: Coca-Cola. Furthermore, TCCC markets four of the world's top five nonalcoholic sparkling brands, including Diet Coke, Fanta and Sprite. The company's finished beverage products are sold in more than 200 countries worldwide.

The company primarily produces sparkling beverages, and also a variety of still beverages. TCCC manufactures beverage concentrates and syrups, which it sells to bottling and canning operations, fountain wholesalers and retailers. The company also manufactures finished beverages. TCCC owns or licenses nearly 500 brands, including diet and light beverages, waters, enhanced waters, juice and juice drinks, teas, coffees, and energy and sports drinks. In addition, the company has ownership interests in a number of bottling and canning operations, most of which are independently owned and managed.

Most of TCCC's products are manufactured and sold by bottling partners, who convert them into finished packaged products for sale to distributors and other customers. The company sells the concentrates and syrups for bottled and canned beverages to authorized bottling and canning operations. Authorized bottlers and canners either combine syrups with sparkling water or combine concentrates with sweeteners (depending on the product), still water and sparkling water to produce finished sparkling beverages. These sparkling beverages are packaged in cans, glass and plastic bottles, and sold to wholesalers and retailers.

In addition to selling concentrates and syrups for making sparkling beverages and flavored still beverages, the company also sells concentrates for purified water products such as Dasani to authorized bottling operations.

For its fountain products in the US, TCCC manufactures fountain syrups and sells these to authorized fountain wholesalers and retailers. Outside the US, fountain syrups are manufactured by authorized bottlers from concentrates procured from the company. These fountain syrups are sold by bottlers to wholesalers or directly to fountain retailers.

TCCC manufactures a variety of sparkling and still beverages which are sold to authorized bottlers or distributors, wholesalers or directly to retailers. The juices and juice-drink products, and certain water products manufactured by the company are sold to retailers and wholesalers in the US and several other countries, both directly and through a network of business partners.

Most of the company's properties are located in the US. TCCC has facilities for administrative operations, manufacturing, processing, packaging, packing, storing and warehousing throughout the US and Canada. As of December 2008, TCCC owned and operated 29 principal beverage concentrate and/or syrup manufacturing plants located throughout the world. In addition, TCCC owns or holds a majority interest in 118 principal beverage bottling and canning plants located throughout the world. These plants are included in the Bottling Investments operating segment.

The principal raw materials used by TCCC are nutritive and non-nutritive sweeteners. In the US, the company uses high fructose corn syrup as a nutritive sweetener, whereas outside the US it uses sucrose. The company uses aspartame, acesulfame potassium, saccharin, cyclamate and sucralose as non-nutritive sweeteners. For juice and juice-drink products, the company uses citrus fruit, particularly orange juice concentrate, as raw material.

TCCC produces, distributes and markets juice and juice-drink products, including Minute Maid juices and juice drinks, Simply Orange and other juices and juice drinks, Cappy juices, Odwalla nourishing health beverages, Five Alive refreshment beverages and Bacardi mixers concentrate. The company also operates Multon, a juice business in Russia, as a joint venture with Coca-Cola Hellenic Bottling Company (Coca-Cola Hellenic). Multon manufactures, markets and sells juice products under various trademarks, including Dobriy, Rich and Nico, in Russia, Ukraine and Belarus. TCCC manufactures, markets and sells packaged juices, nectars and fruit-flavored beverages under the del Valle trademark through joint ventures with its bottling partners in Mexico and Brazil.

TCCC operates its business through six business segments: North America, Eurasia and Africa, Europe, Latin America, Pacific, and Bottling investments. TCCC also reports a non-operating segment: corporate. The company has divided its operations into segments based on geographic operations.

The North American business segment consists of the company's operations in the US, Canada, Puerto Rico, the Virgin Islands, and the Cayman Islands. The segment operates three business units, sparkling beverages, still beverages and emerging brands. The North American business segment operates nine still beverage production facilities, four bottled water facilities, leases one bottled water facility, and owns a facility that manufactures juice concentrates.

The Eurasia business segment covers about 43 countries starting from Eastern Europe and Russia in the North to the Middle East and India in the South. The company's operations are spread across 56 countries and territories in nearly all of continental Africa, and in the Indian Ocean islands of Mauritius and Seychelles.

The Europe business segment covers 29 countries spread across Eastern and Western Europe.

The Latin American business segment comprises TCCC's operations in Central and South America and the Caribbean region.

The Pacific business segment encompasses the company's operations in Philippines, Korea, and China. In addition, the segment includes operations in Southeast, West Asia and South Pacific countries.

The bottling investment business segment operates across five continents.

Key Metrics

The company recorded revenues of $30,990 million in the fiscal year ending December 2009, a decrease of 3% compared to fiscal 2008. Its net income was $6,824 million in fiscal 2009, compared to a net income of $5,807 million in the preceding year.

Operations in the Unites States generated revenues of $8,011 million, whilst International sales accrued revenues of $22,979 million in fiscal 2009.

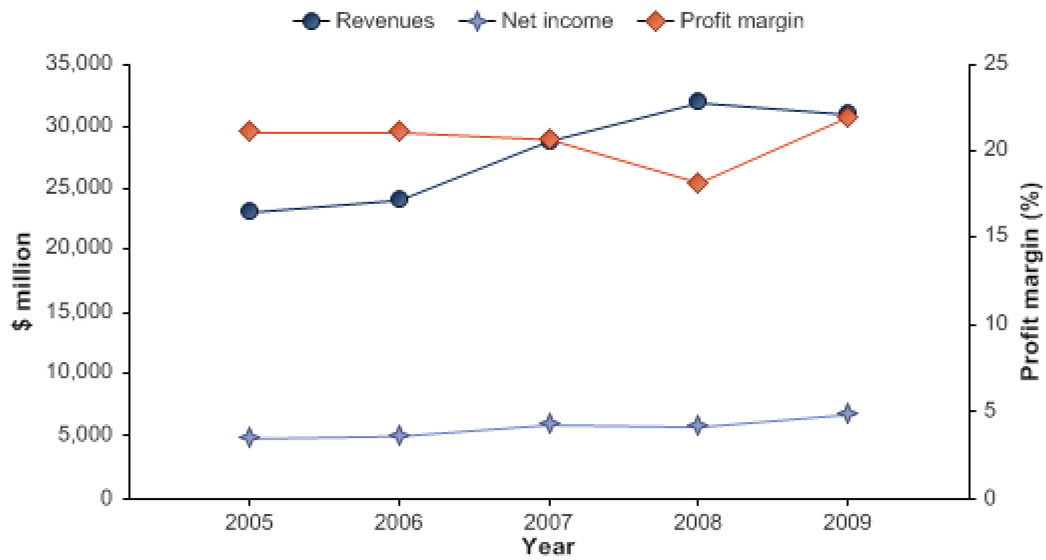
Table 18: The Coca-Cola Company: key financials ($)					
$ million	**2005**	**2006**	**2007**	**2008**	**2009**
Revenues	23,104.0	24,088.0	28,857.0	31,944.0	30,990.0
Net income (loss)	4,872.0	5,080.0	5,981.0	5,807.0	6,824.0
Total assets	29,427.0	29,963.0	43,269.0	40,519.0	48,671.0
Total liabilities	13,072.0	13,043.0	21,525.0	12,988.0	13,721.0
Employees	55,000	71,000	90,500	92,400	92,800

Source: company filings **DATAMONITOR**

Table 19: The Coca-Cola Company: key financial ratios					
Ratio	**2005**	**2006**	**2007**	**2008**	**2009**
Profit margin	21.1%	21.1%	20.7%	18.2%	22.0%
Revenue growth	6.3%	4.3%	19.8%	10.7%	(3.0%)
Asset growth	(6.1%)	1.8%	44.4%	(6.4%)	20.1%
Liabilities growth	(15.1%)	(0.2%)	65.0%	(39.7%)	5.6%
Debt/asset ratio	44.4%	43.5%	49.7%	32.1%	28.2%
Return on assets	16.0%	17.1%	16.3%	13.9%	15.3%
Revenue per employee	$420,073	$339,268	$318,862	$345,714	$333,944
Profit per employee	$88,582	$71,549	$66,088	$62,846	$73,534

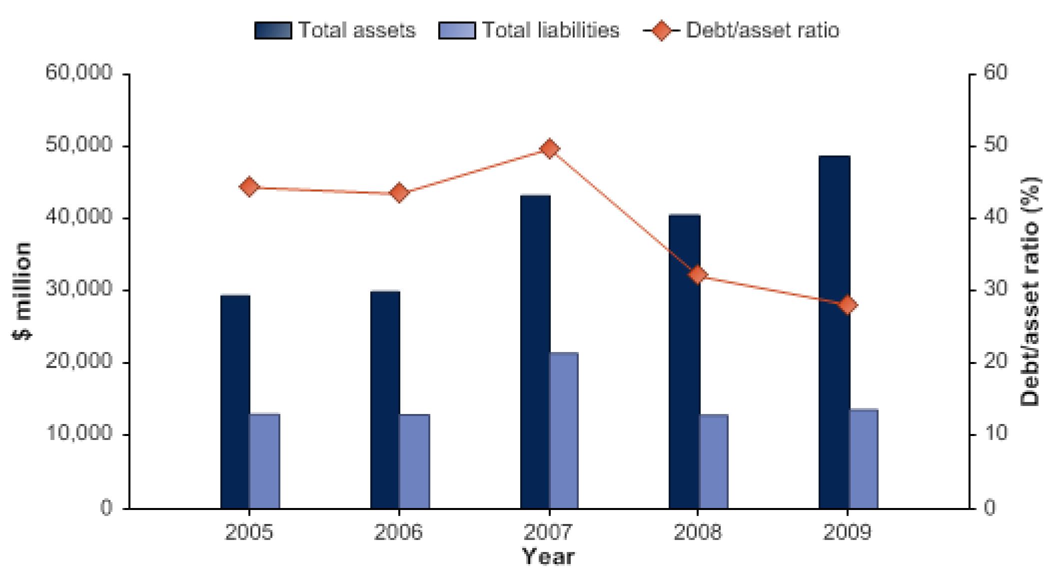
Source: company filings **DATAMONITOR**

Figure 12: The Coca-Cola Company: revenues & profitability



Source: company filings **DATAMONITOR**

Figure 13: The Coca-Cola Company: assets & liabilities



Source: company filings **DATAMONITOR**

MARKET FORECASTS

Market value forecast

In 2014, the global beverages industry is forecast to have a value of $1,775.3 billion, an increase of 12.2% since 2009.

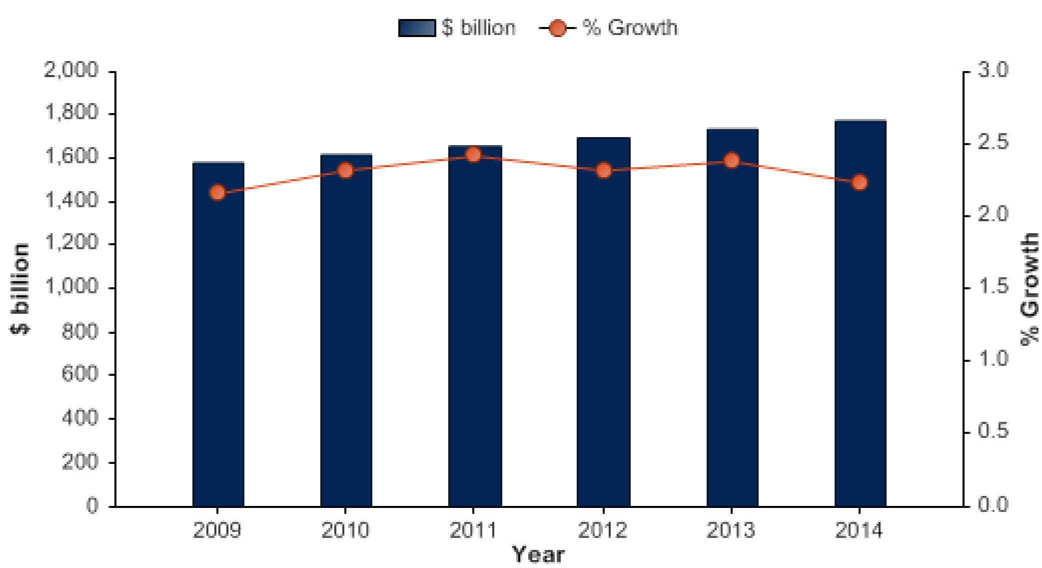
The compound annual growth rate of the industry in the period 2009–14 is predicted to be 2.3%.

Table 20: Global beverages industry value forecast: $ billion, 2009–14

Year	$ billion	€ billion	% Growth
2009	1,581.7	1,137.5	2.2%
2010	1,618.4	1,163.9	2.3%
2011	1,657.6	1,192.1	2.4%
2012	1,696.1	1,219.7	2.3%
2013	1,736.5	1,248.8	2.4%
2014	1,775.3	1,276.7	2.2%
CAGR: 2009–14			**2.3%**

Source: Datamonitor **D A T A M O N I T O R**

Figure 14: Global beverages industry value forecast: $ billion, 2009–14



Source: Datamonitor **D A T A M O N I T O R**

Market volume forecast

In 2014, the global beverages industry is forecast to have a volume of 542.5 billion liters, an increase of 18.4% since 2009.

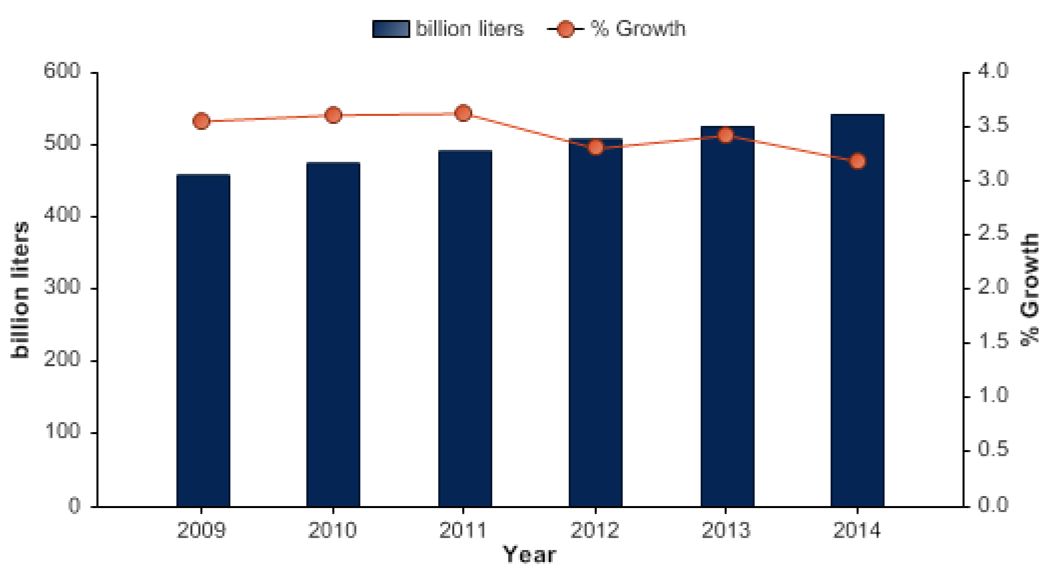
The compound annual growth rate of the industry in the period 2009–14 is predicted to be 3.4%.

Table 21: Global beverages industry volume forecast: billion liters, 2009–14

Year	billion liters	% Growth
2009	458.3	3.6%
2010	474.9	3.6%
2011	492.1	3.6%
2012	508.4	3.3%
2013	525.8	3.4%
2014	542.5	3.2%
CAGR: 2009–14		**3.4%**

Source: Datamonitor **DATAMONITOR**

Figure 15: Global beverages industry volume forecast: billion liters, 2009–14



Source: Datamonitor **DATAMONITOR**

APPENDIX

Methodology

Datamonitor Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, Datamonitor's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

Datamonitor aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – Datamonitor has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

Industry associations

International Federation of Wines and Spirits
18, rue d'Aguesseau, F-75008 - Paris, France
Tel.: 33 1 4268 8248
Fax: 33 1 4006 0698
http://www.fivs.org

Related Datamonitor research

Industry Profile

Global Distillers and Vintners

Global Carbonated Soft Drinks

Disclaimer

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The Datamonitor Group is a world-leading provider of premium global business information, delivering independent data, analysis and opinion across the Automotive, Consumer Markets, Energy & Utilities, Financial Services, Logistics & Express, Pharmaceutical & Healthcare, Retail, Technology and Telecoms industries.

Combining our industry knowledge and experience, we assist over 6,000 of the world's leading companies in making better strategic and operational decisions.

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Premium Reports

Datamonitor's premium reports are based on primary research with industry panels and consumers. We gather information on market segmentation, market growth and pricing, competitors and products. Our experts then interpret this data to produce detailed forecasts and actionable recommendations, helping you create new business opportunities and ideas.

Summary Reports

Our series of company, industry and country profiles complements our premium products, providing top-level information on 30,000 companies, 3,000 industries and 100 countries. While they do not contain the highly detailed breakdowns found in premium reports, profiles give you the most important qualitative and quantitative summary information you need - including predictions and forecasts.

Datamonitor consulting

We hope that the data and analysis in this profile will help you make informed and imaginative business decisions. If you have further requirements, Datamonitor's consulting team may be able to help you. For more information about Datamonitor's consulting capabilities, please contact us directly at consulting@datamonitor.com.