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When it really matters.

AlixPartners 2010 Beverage Industry Review Highlights

April 2010

Executive Summary

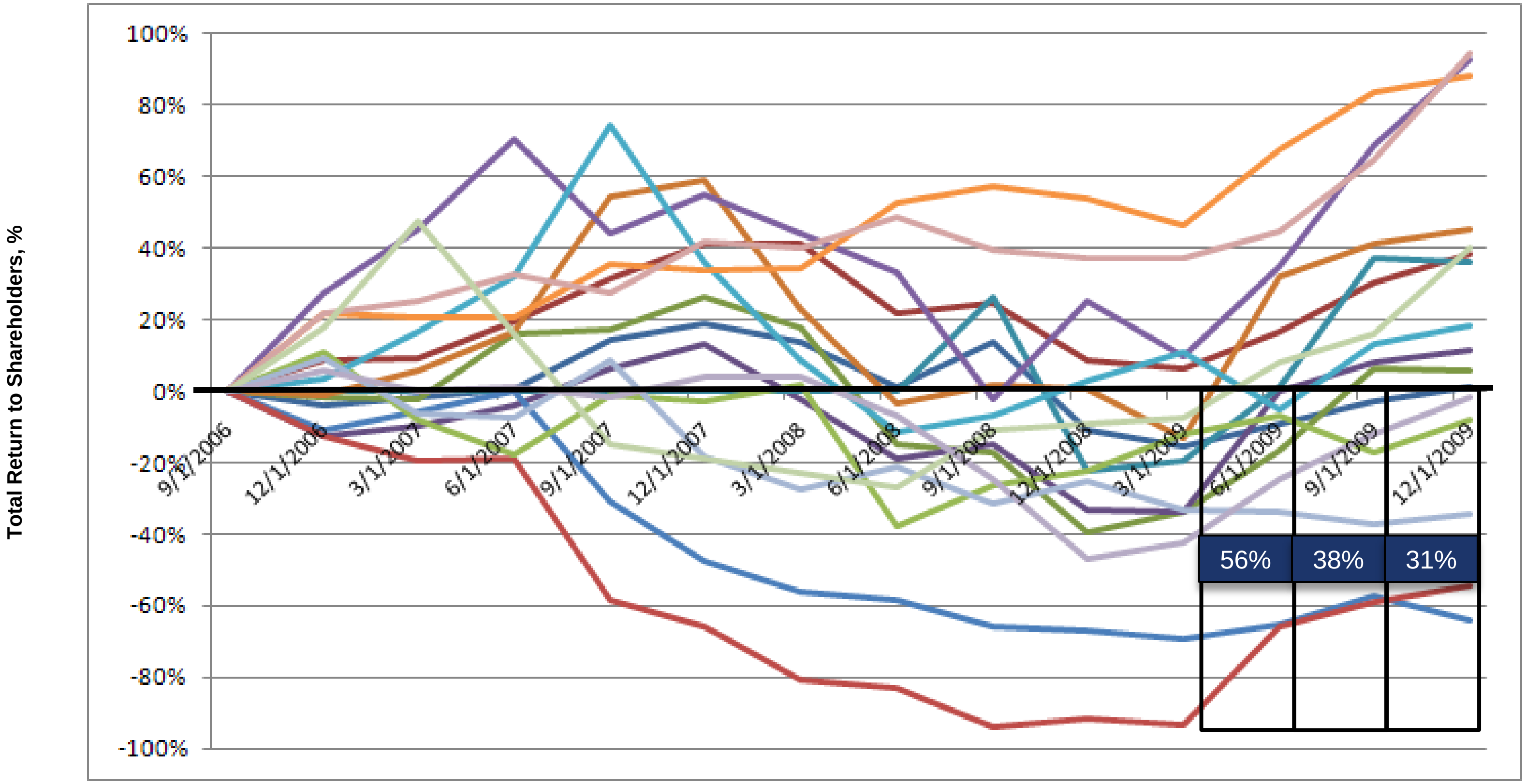
- **Beverage companies are seeing value erosion**
  - Non-alcoholic beverages:
    - Approximately one-third of companies studied have generated negative total return to shareholders over the last three years
  - Alcoholic beverages:
    - Approximately half of companies studied have generated negative total return to shareholders over the last three years

- **Consumers not likely to spur growth in 2010**
  - Non-alcoholic beverages:
    - 74%+ (depending on category) of consumers plan to spend *the same or less* in the next 12 months (Feb 2010-Feb 2011) as compared to the previous 12 months
    - 5% of consumers plan to spend "more than 25% less" for Carbonated Soft Drinks (CSDs), with an estimated impact of $1.3 billion in lost revenues
  - Alcoholic beverages:
    - 89%+ (depending on category) of consumers plan to spend *the same or less* in the next 12 months as compared to the previous 12 months
    - 14% of consumers plan to spend "more than 25% less" for Beer, with an estimated impact of $3.5 billion in lost revenues

- **Eco-friendly was rated as the *least* important attribute by consumers**

- **In an environment where consumer demand is not expected to fuel growth and pricing opportunities will be limited, beverage companies need to improve cost structures and effectively execute strategic initiatives such as achieving full benefits from acquisitions**

Non-Alcoholic Beverage (NAB) Companies: One-Third Have Generated Negative Total Return To Shareholders Over Last Three Years

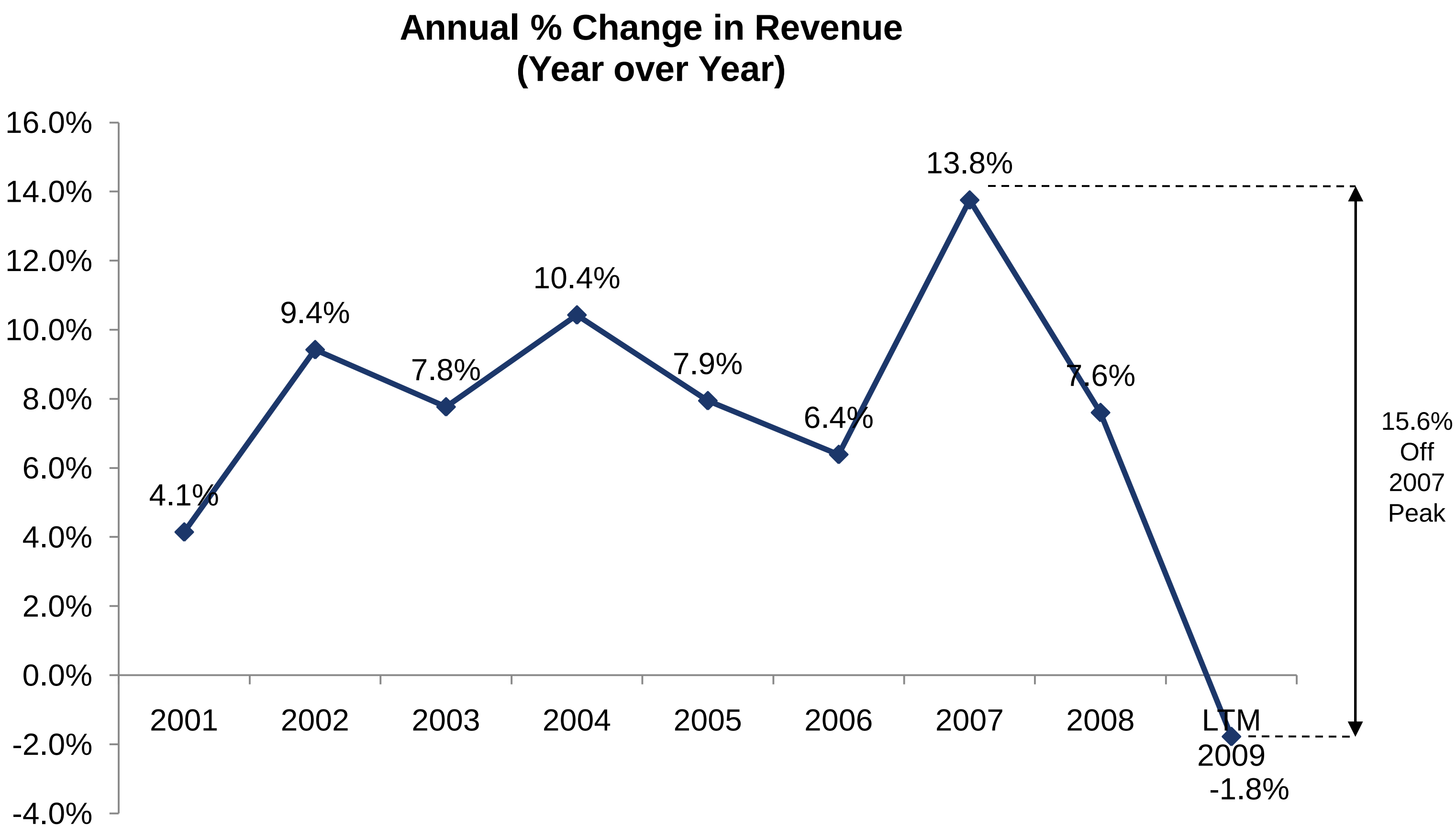


Profile of companies with negative TRS

Region / Size	Large (>$5B)	Medium (<$5B, >$1B)	Small (<$1B, >$0.5B)
US & Canada	—	2	—
Asia / Pacific	—	2	1

Note: (1) Based on 16 globally-traded public companies primarily selling soft drinks
(2) TRS calculated as (ending share price-beginning share price + dividends paid)/beginning share price
Source: Capital IQ, AlixPartners analysis

NAB-Company Revenue: Tremendous Pressure from 4Q 2008 to Present



Note: (1) Based on 20 companies in the non-alcoholic beverage sector (11 in NA, 4 in Asia/Pacific, 2 in Latin America / Caribbean, 2 in Europe and 1 in Africa/Middle East)
(2) LTM 2009 varies by company based on filing date. Dates range from 8/1/09 to 12/26/09. Majority of companies have filing dates in September

Source: Capital IQ, AlixPartners analysis

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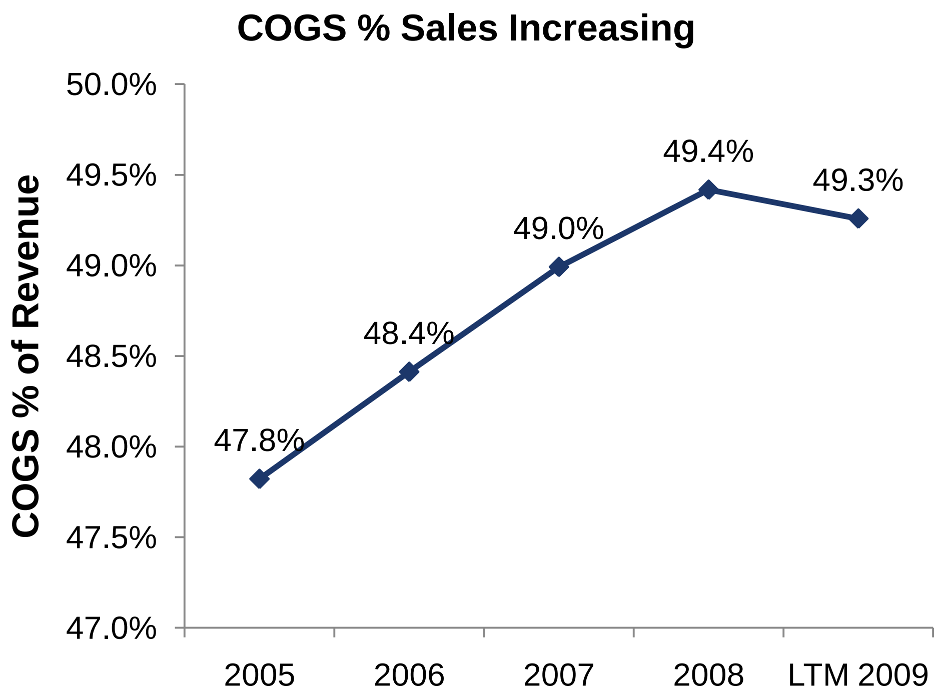
NAB-Company COGS: Has Outpaced Revenue Growth Since 2005, Making It A Significant Area of Opportunity



Industry Summary
($ Billions)

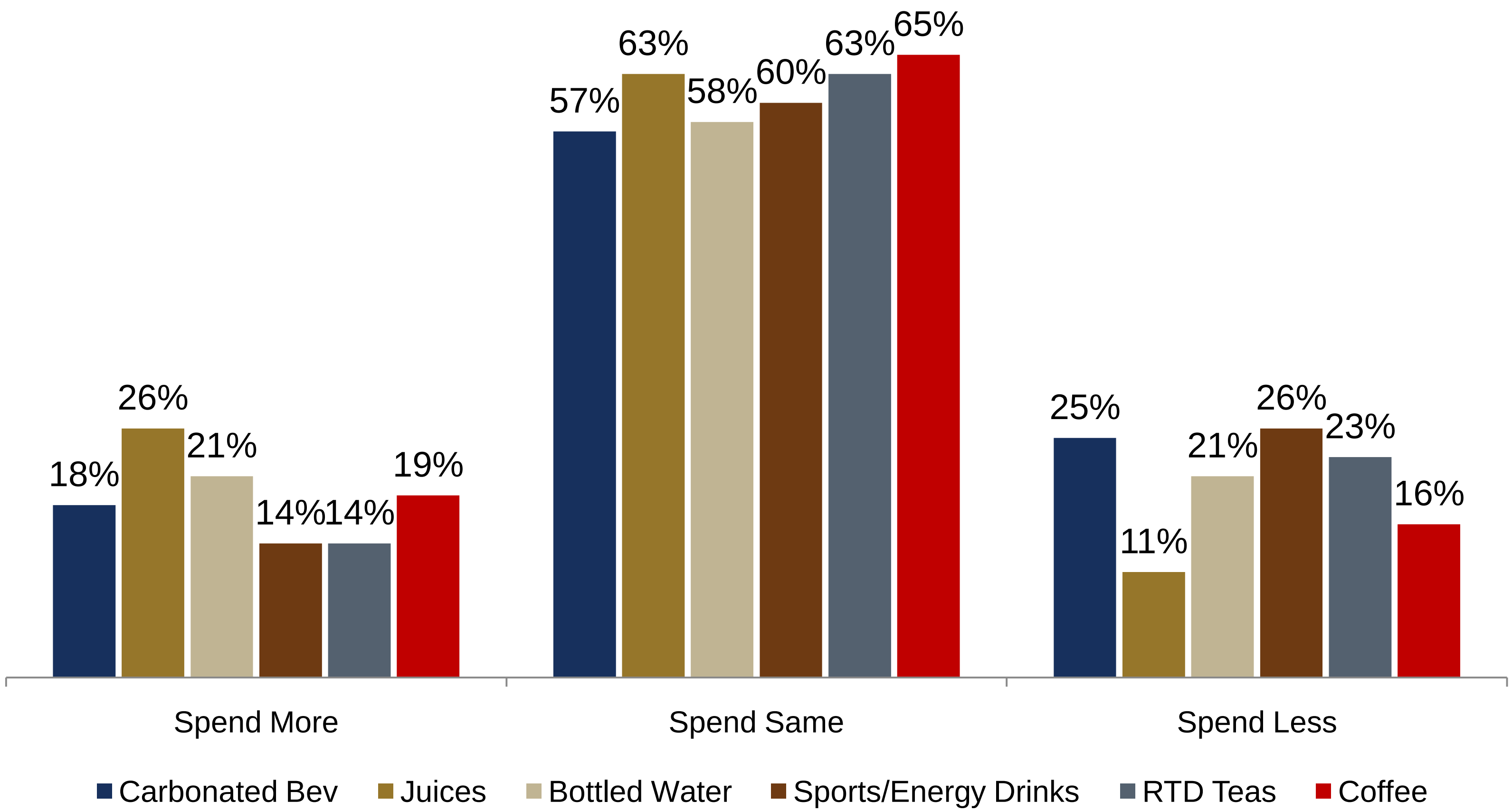
Line Item	2005	LTM 2009	CAGR %
Rev	103.0	131.8	6.3%
COGS	49.3	64.9	7.1%
COGS %	47.8%	49.3%	

NAB companies can shed ~$2 billion by achieving 2005 COGS % of Revenue

Note: (1) Based on 20 companies in the non-alcoholic beverage sector (11 in NA, 4 in Asia/Pacific, 2 in Latin America / Caribbean, 2 in Europe and 1 in Africa/Middle East)
(2) LTM 2009 varies by company based on filing date. Dates range from 8/1/09 to 12/26/09. Majority of companies have filing dates in September
Source: Capital IQ, AlixPartners analysis

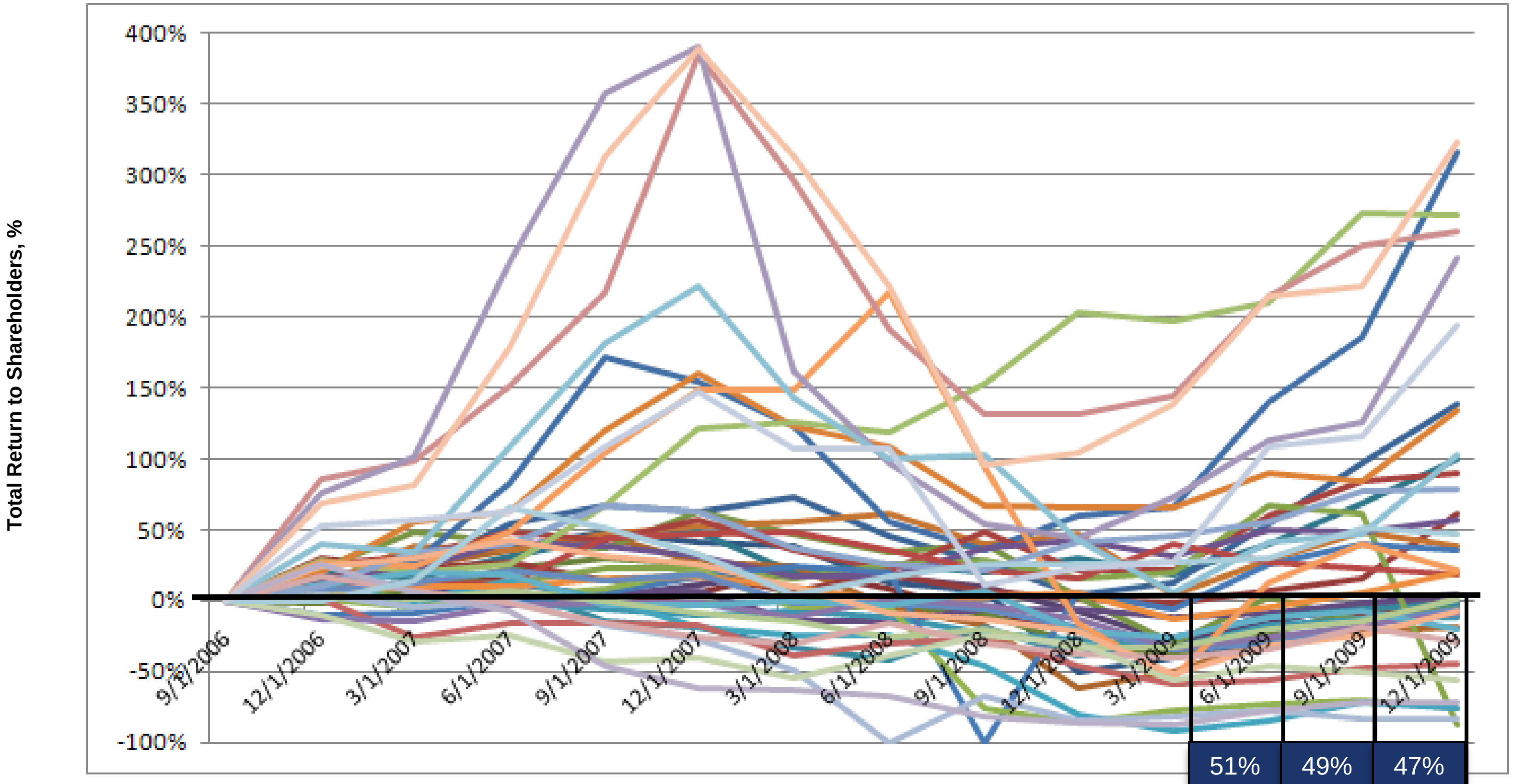
NAB: 74%+ of Consumers Plan To Spend The Same Or Less

Compared to the last 12 months, how much do you expect to spend in the coming 12 months?



15% (net) of consumers expect to spend more for Juices, the only category with an increase expected in the next 12 months.

Alcoholic-Beverage (AB) Companies: About Half Have Generated Negative Total Return To Shareholders Over Last Three Years

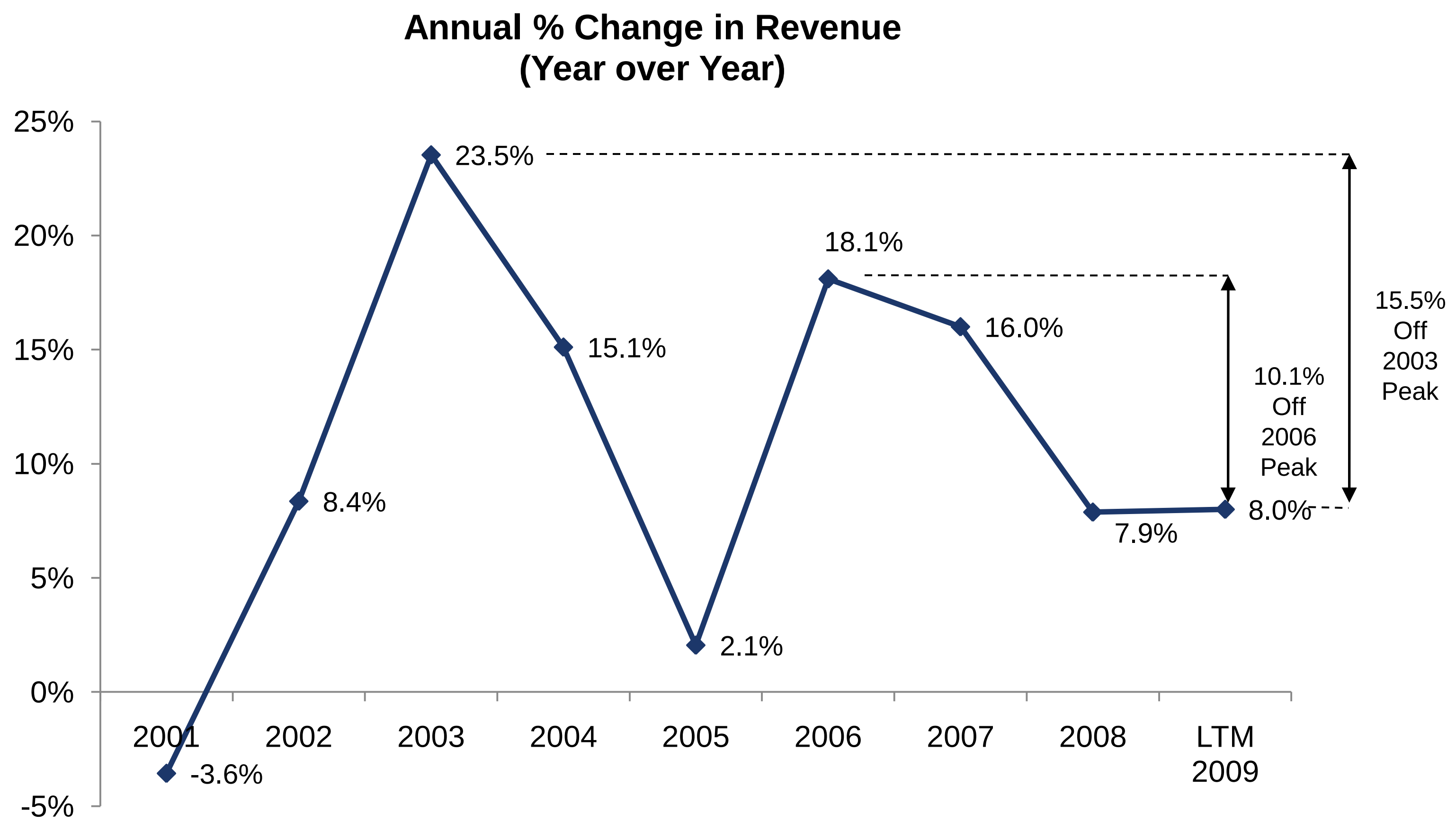


Profile of companies with negative TRS

Region / Size	Large (>$5B)	Medium (<$5B, >$1B)	Small (<$1B, >$0.5B)
Europe	4	2	2
Asia / Pacific	1	7	2
US & Canada	—	2	—

Note: (1) Based on 43 globally-traded public companies
(2) TRS calculated as (ending share price-beginning share price + dividends paid)/beginning share price
Source: Capital IQ, AlixPartners analysis

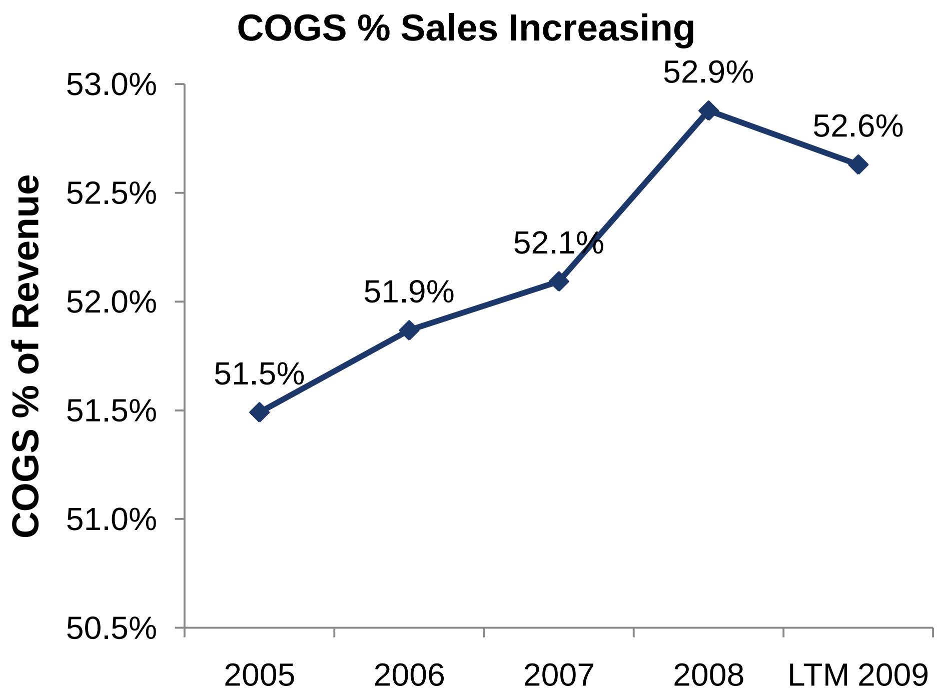
AB-Company Global YOY Revenue Remains Positive, But Is Off ~15% From 2003 Peak



Note: (1) Based on 86 companies in the alcoholic beverage sector (35 in Europe, 27 in Asia/Pacific, 11 in Latin America / Caribbean, 8 in NA and 5 in Africa/Middle East)
(2) LTM 2009 varies by company based on filing date. Dates range from 3/31/09 to 12/31/09. Majority of companies have filing dates in September

Source: Capital IQ, AlixPartners analysis

AB-Company COGS: Has Outpaced Revenue Growth Since 2005, Making It An Area Of Significant Opportunity



Industry Summary
($ Billions)

Line Item	2005	LTM 2009	CAGR %
Rev	144.1	229.4	9.7%
COGS	74.2	120.7	10.2%
COGS %	51.5%	52.6%	

AB Companies can shed ~$2.6 billion by achieving 2005 COGS % of Revenue

Note: (1) Based on 86 companies in the alcoholic beverage sector (35 in Europe, 27 in Asia/Pacific, 11 in Latin America / Caribbean, 8 in NA and 5 in Africa/Middle East)
(2) LTM 2009 varies by company based on filing date. Dates range from 3/31/09 to 12/31/09. Majority of companies have filing dates in September
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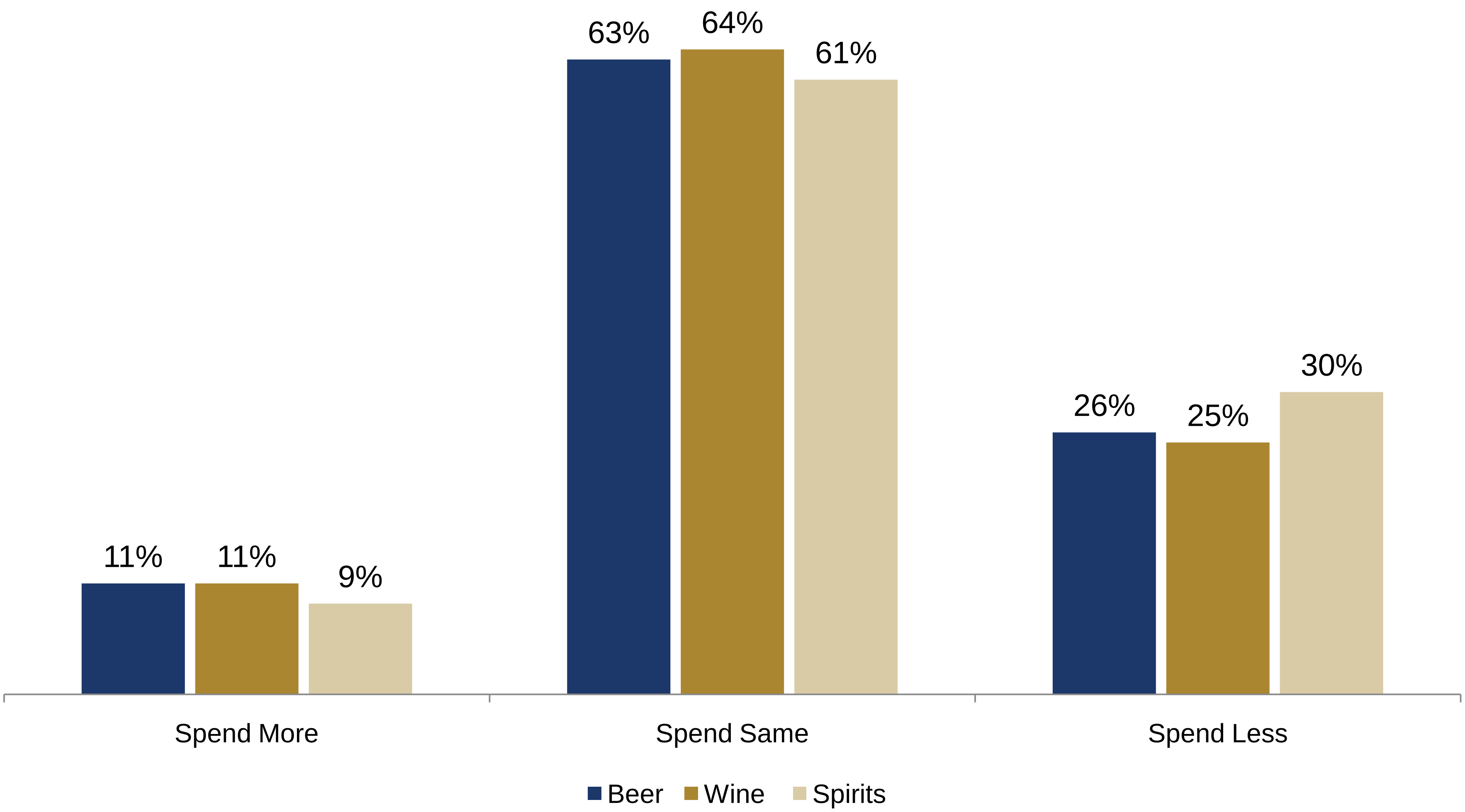
Alcoholic Beverages (AB): 89%+ Of Consumers Plan To Spend The Same Or Less

Compared to the last 12 months, how much do you expect to spend in the coming 12 months?



Survey Overview

Date: February 2010

Interviewing was completed on February 18-19, 2010

Population: 1,000 adults nationwide, age 18+

Demographics: Respondent group was representative of the U.S. population across key demographics and income ranges

Survey Focus: Key areas of focus included:

- Planned frequency of beverage purchases compared to previous 12 months
- Key drivers of beverage choice
- Favored purchase locations by beverage type
- Expected buying behavior for the next 12 months
- Importance of brands vs. private label

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Global Locations

AlixPartners is ready to field a team of relevant experts whenever and wherever they are needed. Our professionals work from 14 global offices in more than a dozen different countries. They speak more than 50 languages, and have experience in every corner of the world. Call us, we'll be there when it really matters.

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