NEW ZEALAND BEVERAGES INDUSTRY 2013

January 2014

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iFAB 2013 BEVERAGES REVIEW

January 2014 v1.00

The Food and Beverage Information Project

The Food & Beverage Information Project is the first comprehensive overview of the state of New Zealand's Food & Beverage (F&B) industry. Part of the Government's Business Growth Agenda (BGA), it is an integrated programme of work focusing on the six key inputs businesses need to succeed, grow and add jobs; export markets, capital markets, innovation, skilled and safe workplaces, natural resources and infrastructure.

Essentially, the BGA Export Markets goal will require lifting the ratio of exports from today's rate of 30% of GDP to 40% by 2025. This equates to doubling exports in real terms (or tripling exports in nominal non-inflation adjusted terms). This in turn equates to achieving a 7% per annum growth rate over the next twelve years.

This five-year project analyses the main sectors in F&B, including dairy, meat, seafood, produce, processed foods, and beverages, as well as providing an overview of how the industry is fairing in our major markets. It also conducts in-depth sector reviews on a rotating basis. The information is updated annually and feedback from users shows the project is acting as a vital tool for companies looking to expand and grow exports.

Why Food & Beverage?

The Food & Beverage industry is vitally important to the New Zealand economy. Food & Beverage accounts for 56% of our merchandise trade exports and one in five jobs across the wider value chain. In addition, F&B acts as a vital ambassador for the country, being in most cases the first exposure global consumers get to "Brand New Zealand."

New Zealand's F&B exports are growing strongly and the country's export performance is strong and improving relative to peers. In the 15 years leading up to 2010, New Zealand's food and beverage exports grew at a compound annual rate of 7% per annum. So one way to look at the challenge is to ask – can we continue to grow our food & beverage exports at the same rate? To understand if this is possible we need to know what has been driving our success.

What is the purpose of the food and beverage information project?

The project pulls together the available information on the food and beverage industry into one place, in a form which is familiar and useful to business. The reports contain analysis and interpretation of trends and opportunities to materially assist with business strategy and government policy.

The information will be of vital use to businesses, investors, government, and research institutions as the industry expands and diversifies. This industry view will be very useful to government, enabling better dialogue and the opportunity to address issues collectively.

What benefit will this bring to businesses?

The Project will have many uses for businesses. These include:

- As a base of market intelligence to enable business to be much more targeted in their own market research
- Reviewing and informing offshore market development (including export and investment) strategies
- Assisting in identifying areas of innovation and R&D for the future
- Identifying strategic partners and collaborators
- Enabling a company to benchmark performance with that of its competitors
- Monitoring industry activity
- Gaining a better understanding of their own industry sector
- Identifying internal capability needs or external inputs

How will government use the reports?

This information will provide much greater insight into the industry, which is useful for a range of policy development, from regulatory frameworks to investment in science and skills and facilitating access to international markets. In particular, a single source of factual information will enable government agencies to better coordinate their efforts across the system and be more responsive to addressing industry issues.

Ministry of Business, Innovation & Employment

Ministry for Primary Industries
Manatū Ahu Matua

New Zealand TRADE & ENTERPRISE

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OTHER RELATED iFAB REPORTS

This analysis of the New Zealand beverages sector forms a part of the wider Food & Beverage Information Project

Other reports, including those from previous years, are available on the MBIE or Coriolis website…

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HIKINA WHAKATUTUKI
Economic Development Information

http://www.med.govt.nz/sectors-industries/food-beverage/information-project/

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http://www.coriolisresearch.com/reports/

NOTE ON DEFINITIONS

The iFAB project splits the total New Zealand food & beverage industry into six separate sectors; to avoid double counting, products and firms are only defined and counted in one; some firms may be in another report

"NOT SUBSTANTIALLY TRANSFORMED"

DEFINED AS DAIRY, MEAT, SEAFOOD OR PRODUCE

WHAT: Whole or minimally transformed products; typically one single predominant ingredient; firms that predominantly pack these products

Tomatoes

EXAMPLES: Kiwifruit, milk powder, frozen beef

TRADE CODES: Primarily classified in the global HS trade codes as HS02-15

EXAMPLE FIRMS:

SEE RELATED REPORTS

"SUBSTANTIALLY TRANSFORMED"

DEFINED AS PROCESSED FOODS

WHAT: Products made from a mixture or combination of ingredients, rather a single ingredient; firms that predominantly make these products

INGREDIENTS: Concentrated Tomatoes, Sugar, Salt, Concentrated White Vinegar, Food Acid (Citric Acid), Natural Flavours (Contains Garlic), Spices

EXAMPLES: Chocolate, ice cream, sauce

TRADE CODES: Primarily classified in the global HS trade codes as HS 16-21

EXAMPLE FIRMS:

SEE RELATED REPORT

DEFINED AS BEVERAGES

WHAT: Juice, fermented or not, made from a single fruit or vegetable or a mixture or combination of ingredients; water

INGREDIENTS: Reconstituted vegetable juice blend (water and concentrated juices of tomatoes, carrots, celery, beets, parsley, lettuce, watercress, spinach), contains less than 2% of: salt, vitamin c (ascorbic acid), natural flavoring, citric acid, natural flavor.

EXAMPLES: Wine, soft drinks

TRADE CODES: Classified in the global HS trade codes as HS22/2009

EXAMPLE FIRMS:

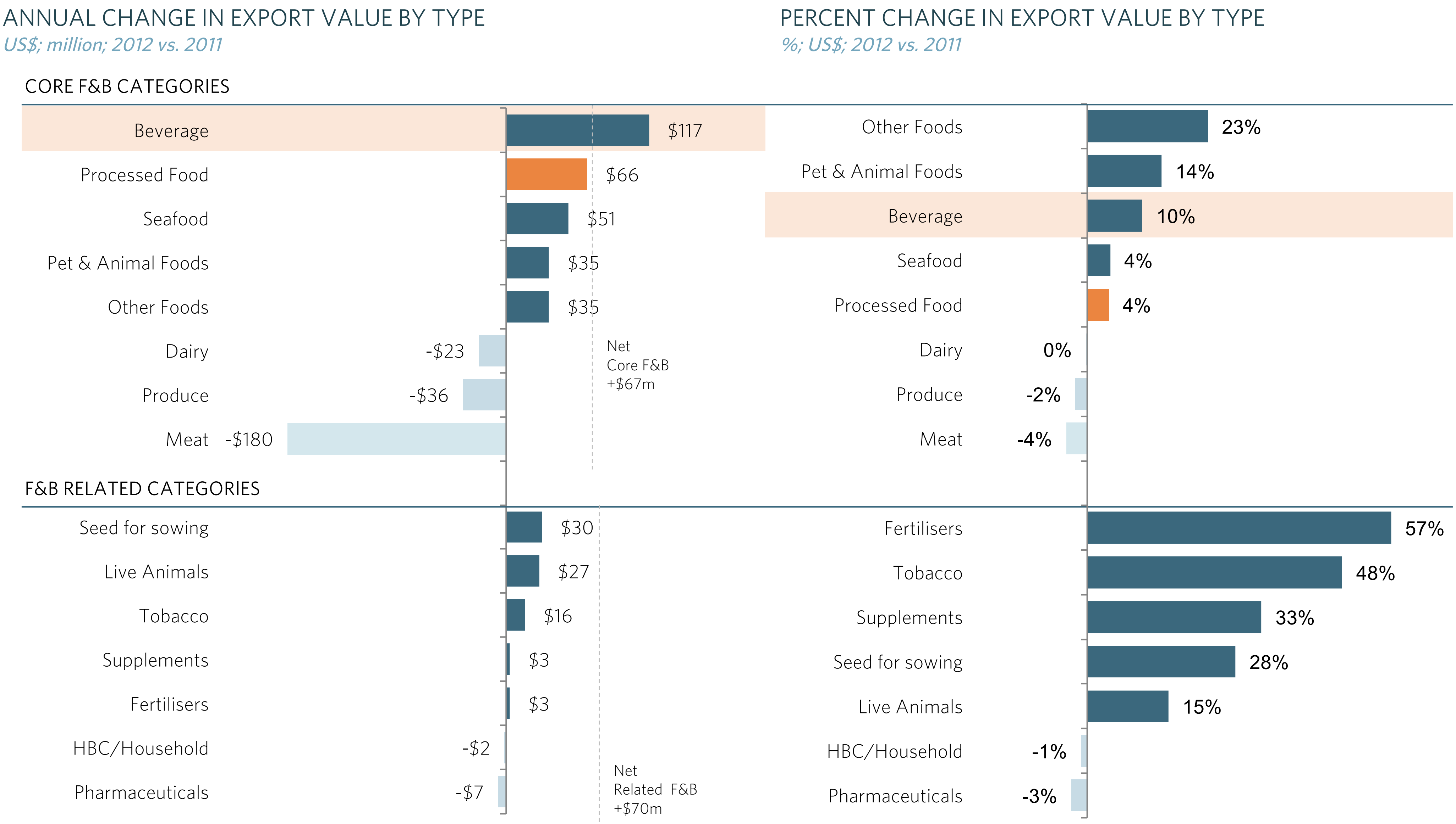
THIS REPORT

SUMMARY

Beverages

BENCHMARK – EXPORT GROWTH BY SECTOR

In 2012 beverages were the fastest growing core food & beverage super-category in absolute dollars and third fastest in percent terms



Source: UN Comtrade database; Coriolis classification and analysis

BEVERAGES – WINE – SITUATION

The wine industry has shown rapid growth driven by Marlborough Sauvignon Blanc; further diversification into new varieties and new regions should occur going forward

New Zealand wine

The New Zealand wine industry has achieved spectacular growth over the last 40 years, going from NZ£51 in exports in 1960 to NZ$1.2b in 2012. Today New Zealand competes successfully with major wine producers, both old world *(e.g. France, Germany)* and new (e.g. Australia). New Zealand has achieved an overall premium price position in-market on par with France *(which has been producing wine for ~2,000 years).*

International success to date has been built almost exclusively on Marlborough Sauvignon Blanc which has become a "must-have" wine for major wine players. However good Marlborough wine area is now almost all used. This may be a good thing as Marlborough now has almost as much area as Burgundy in grapes.

Emergent secondary regions are 20 years behind Marlborough in terms of development. Hawkes Bay, Waipara and Central Otago stand out as the next best prospects. However, other than Hawkes Bay/Gimblett Gravels Syrah, most regions have yet to find "their" wine and the experience of Europe suggest this could take some time.

Wine production is a fast growing industry for New Zealand, with a number of firms, ranging from very large to very small. Many large wineries are now foreign owned and on-going acquisitions are occurring. Foreign ownership now plays a big part in the wine industry, and these global firms with their global sales resources and reach, provide a path-to-market for introducing global consumers to New Zealand wines.

However there is a large group of successful medium sized New Zealand owned wineries that, in many ways, are the key force driving industry quality and innovation forward (e.g. light wine development).

Competitors

New Zealand wine competes directly with other premium temperate climate countries. Key competitors include France, Germany, cooler parts of the US (e.g. Oregon) and Chile.

Consumers/Markets

Global Financial Crisis (GFC) depressed global demand, pushing down prices. These falling prices have impacted New Zealand wines.

At the same time wine consumption is declining in many EU markets (France, Italy, Spain) for social, lifestyle and economic reasons. These twin forces, falling consumption and falling prices, have in turn triggered a decrease in global wine area and production, particularly in the three largest wine producers (France, Italy & Spain). On-going changes to EU subsidy systems have accelerated the process.

New Zealand's success to date in wine has been primarily in the Anglo-Saxon 4 (USA, Canada, UK & AU). Luckily these markets have had stable-to-increasing consumption. However, New Zealand producers need to work to decrease reliance on these markets.

China is an emerging growth market for wine globally and is now the fourth largest wine consuming country in the world in total (not per capita) volume, nipping at the heels of Germany. China is now New Zealand's #5 wine export destination and the fastest growing market by value.

Available in-market data suggests that the growth of New Zealand wine is at the expense of French wines (i.e. that the two are close substitutes to consumers).

GFC = Global Financial Crisis; Source: Interviews; Coriolis

BEVERAGES – WINE – SWOT ANALYSIS

The New Zealand wine industry is well positioned for further growth, but pressures will continue

STRENGTHS	WEAKNESSES
- Islands in the middle of the South Pacific the size of Italy but with only the population of Singapore; therefore relatively unspoilt - Strong and growing success in premium/super-premium - Achieves a strong price premium in key markets (similar to France) - New Zealand Sauvignon Blanc now a "must have" for global wine companies - Growth in market share in key markets (e.g. USA) - Innovative and quality-focused winemakers	- Large number of small wineries with low/no economies of scale - High debt levels of many small and medium sized wineries - Highly dependant on four countries (AU, UK, USA and Canada) - Increasing exports of bulk wine - Lack strong super-premium heritage brands as demanded by brand and status conscious Asian consumers
OPPORTUNITIES	**ISSUES/THREATS/RISKS**
- Continued income growth in Asian markets - Continued growth of New Zealand wine consumption in China - Low share in Europe (two thirds of global wine consumption) outside British Isles - Joint in-market activity spreading cost of marketing - Automated vineyard pruning technology reducing requirements for labour - Strong and growing demand in Asia for premium fortified wines/wine based spirits (e.g. cognac) - Reduction of global "wine ocean" supporting higher prices	- Growing consolidation of the wine industry - Difficult finding good distributors to gain access into key markets - Continued growth of bulk wine trade reducing the value of wine - Continued impact of GFC, reducing wine spend - Continued growth of retail brands/store brands in wine

Source: various company annual reports; various company websites; Interviews; Coriolis

BEVERAGES – OTHER BEVERAGES – SITUATION

Outside wine, the New Zealand beverage sector is primarily focused on production for domestic consumption; however, exports are growing

Soft-drinks/Flavoured Beverages (7.7% of bev. exports by value)

Non-alcoholic beverages are a duopoly controlled by two international companies that primarily manufacture for domestic consumption:

- Coca-Cola Amatil, Australian-listed Asia-Pacific licensee of Coca-Cola;
- Frucor, former Apple & Pear Marketing Board juice business, now a division of Suntory (Japan); maker of V energy drink and the Pepsi licensee in New Zealand.

Smaller innovators emerging outside core soft-drinks. Organic-producer Phoenix (Charlie's/TBDC) recently acquired by Asahi.

Juice (5.3% of beverage exports by value)

New Zealand exports apple and kiwifruit juice, primarily as a secondary product of the fresh fruit industry. However New Zealand imports +20% more juice than it exports and domestic fruit production cost structures suggest a premium/niche strategy.

Beer (3.6% of beverage exports by value)

Beer brewing has been a low growth duopoly controlled by two international companies brewing for domestic consumption. Independent has recently entered the beer market and is gaining share.

- Lion, founded in New Zealand, owned by Kirin (Japan)
- DB Breweries (Ltd), founded in New Zealand, now owned by Heineken (Netherlands)
- Independent Liquor, founded in NZ, owned by Asahi (Japan)
- There are a wide range of smaller/micro breweries

New Zealand is a minor beer exporter[1], and imports more beer than it exports, driven in part by the foreign ownership of its two key breweries. However, beer exports have surged in the last few years and hops is an exporter of specialty hops.

Spirits (3.4% of beverage exports by value)

Prior to 2000 there were a wide range of small spirit ventures, producing small scale niche spirits for the domestic market. At the same time Independent Liquor launched RTD[2] spirit beverages primarily for domestic consumption and export to Australia.

Everything changed with the launch, rapid growth and financial success of 42 Below which created global awareness of NZ as a super-premium spirits provider. In the wake of 42 Below a large number of new firms have entered the industry with a wide range of products and brands.

Independent Liquor, recently purchased by Asahi, is the largest player in spirits. Independent initially developed its business around flavoured RTD[2] drinks, however it is diversifying into other alcoholic beverages. The two main brewers also produce and pack spirits, as well as distribute imported products and brands.

There are a range of other smaller firms in spirits achieving strong growth and the sector is well positioned for further growth (see related iFAB Spirits report).

Water (0.6% of beverage exports by value)

New Zealand has excellent theoretical potential to produce and export premium bottled water. However, to date, it has realised very little of this potential despite 30 years of trying.

1. Mexico, for example, exports 80x as much beer as New Zealand; NZ currently exports about as much beer as the Dominican Republic; 2. RTD = ready-to-drink

BEVERAGES – NON-WINE – SWOT ANALYSIS

New Zealand is currently well positioned for further growth in premium non-wine beverages

STRENGTHS	WEAKNESSES
- Islands in the middle of the South Pacific the size of Italy but with only the population of Singapore; therefore relatively unspoilt - Closer shipping distances to Asia compared to European competitors - Demonstrated capabilities in beverage production - On-going growth and success of Frucor/V, and Charlies/Phoenix in non-alcoholic drinks category - Emergent success in spirits (e.g VoC and 42Below)	- No deep cultural unique “spirits” associated with New Zealand - Long shipping distance to traditional western markets - No large New Zealand owned champion growing and driving New Zealand brand position in beverages - Limited culture or mentality of super-premium branding or positioning (e.g. relative to France) - Not a major producer of many base ingredients of typical beverages (e.g. oranges)
OPPORTUNITIES	**ISSUES/THREATS/RISKS**
- Leverage success of New Zealand wine industry; build on awareness of New Zealand in wider premium beverages segments - Wide range of New Zealand unique plants available as flavouring (e.g. 42 Below Manuka honey) - Rapidly growing demand for premium alcoholic beverages in Asia	- Limited opportunity shipping “water” around the world if it isn’t a premium product - Changing consumer sentiment (e.g. bottled water backlash) - Failure to achieve large scale export traction outside wine - Hollowing out of management skills in New Zealand industry due to foreign ownership

Source: various company annual reports; various company websites; Interviews; Coriolis

BEVERAGES – POTENTIAL AREAS FOR INVESTMENT

Alcoholic beverages are a major opportunity for investors; wine has shown rapid growth; opportunities exist in second tier wine regions, cider, developing a premium spirits category and other beverages

Wine (78% of beverage exports by value)

New Zealand Sauvignon Blanc wine is now a "must-have" component of the portfolio for major global wine companies. Three of the top five US wine companies and three of the largest European alcoholic beverage companies are in New Zealand. In addition, three of the top five Australian wine companies are in New Zealand.

There are some opportunities for further investment in Marlborough. However, future area growth of Marlborough limited due to geographical constraints.

Large wine firms are either foreign owned by global majors or committed NZ family owners (i.e. Delegat and Villa Maria both have committed owners). Opportunities exist for new investment in next tier down of firms (e.g. Giesen, Lawsons Dry Hills, Chard Farm, Allan Scott, Coopers Creek, Kumeu River etc.). However these firms are looking for smart investment that gives them access to a global salesforce and a route to market.

Investors with transferrable skills or those looking to unlock hidden value should investigate emergent secondary regions (i.e. "the next Marlborough").

Soft drinks (7.7% of bev. exports by value)

In soft drinks, while both Frucor/V and Charlie's/Phoenix are attractive, but both recently changed hands for top dollars. Both are now Japanese owned.

Beer (3.6% of beverage exports by value)

New Zealand produces hops and barley and has ~150+ years of beer brewing experience. After a long period of flat exports, beer exports have recently started growing. However - to date and despite years of trying - there is no major revealed demand for New Zealand beer in any market other than Australia (96% of exports by value), except as "yet another niche brand." Microbreweries are small and growing, but most are primarily domestic focused. However, Moa Breweries has listed on the NZX and is making an export push. Future export success by New Zealand beer will require a unique/differentiated product (as was the case with wine).

Spirits (3.4% of beverage exports by value)

New Zealand has clear potential in premium alcoholic beverages, building, in part, on New Zealand positioning in premium wine. Peer group countries (e.g. Ireland) suggest strong future growth possible. However, there are limited entry vehicles. At this point in the life cycle, opportunities exist for start-ups into the space. Greenfields by global player with a strong transferrable skill set also suits.

Cider (1.1% of beverage exports by value)

New Zealand is a major apple producer and exporter. Recently the cider industry in New Zealand has experienced strong growth, both for domestic consumption and export. Exports have shown strong growth over the past decade, almost exclusively to Australia (96%). While there are a large number of producers, most export volume is produced by the two main brewers (Heineken/DB & Kirin/Lion).

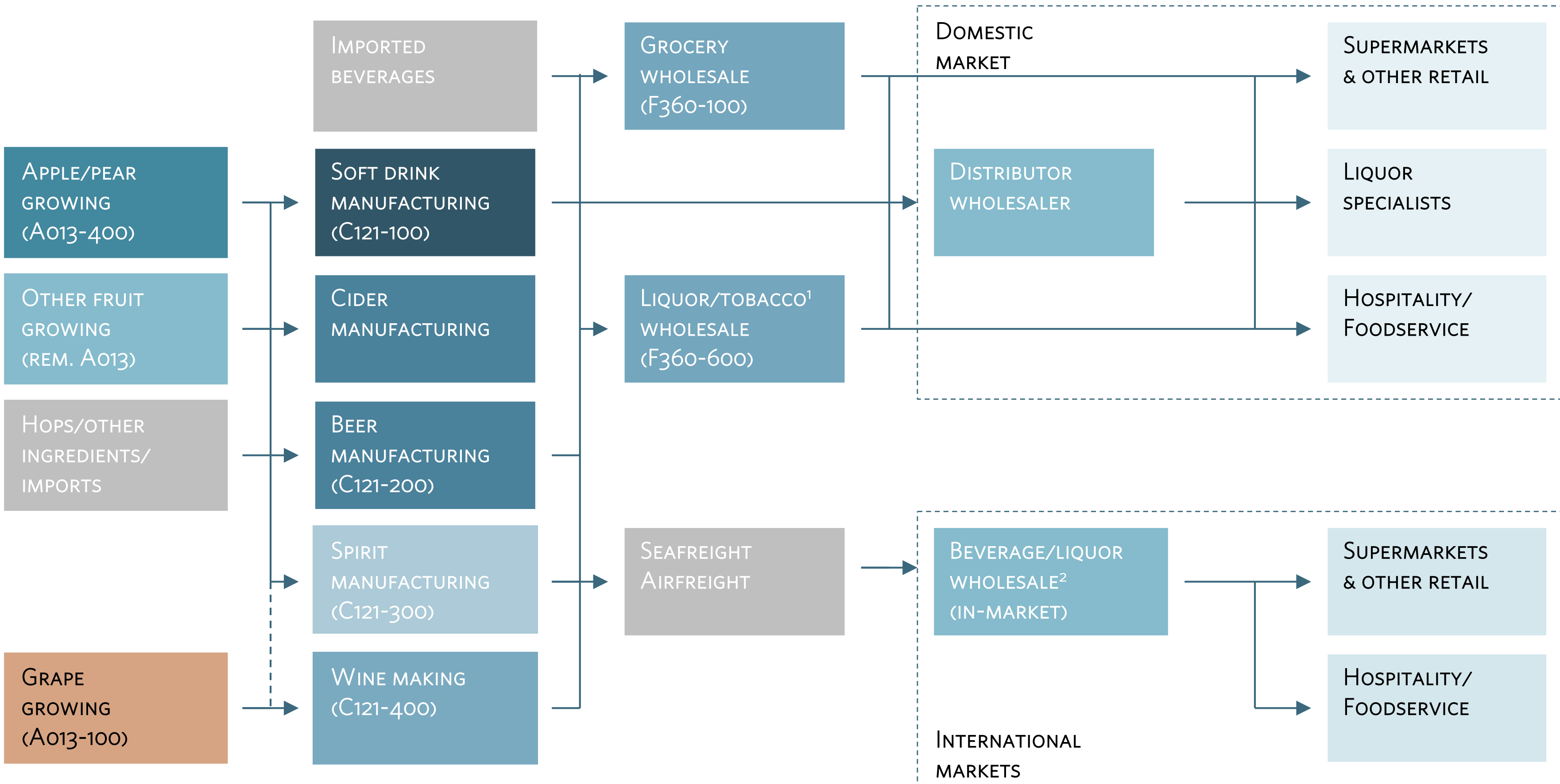
Water (0.6% of beverage exports by value)

Limited opportunities in exporting bottled water. At this late point in the global life-cycle, meaningful success will require global best practice marketing (cf. Lynda Rae Resnick). Best fit would be for investor with transferrable capability.

BEVERAGES – SUPPLY CHAIN

Beverages have a relatively simple supply chain

SIMPLIFIED MODEL OF NEW ZEALAND BEVERAGE SUPPLY CHAIN
(model; ANZSIC codes as available))



1. Tobacco inseparable at source; 2. There may be one or more layers of wholesaling, depending on product or market; some wholesale functions may be captive inside retailers or foodservice operators; Source: Coriolis

GLOBAL

Beverages

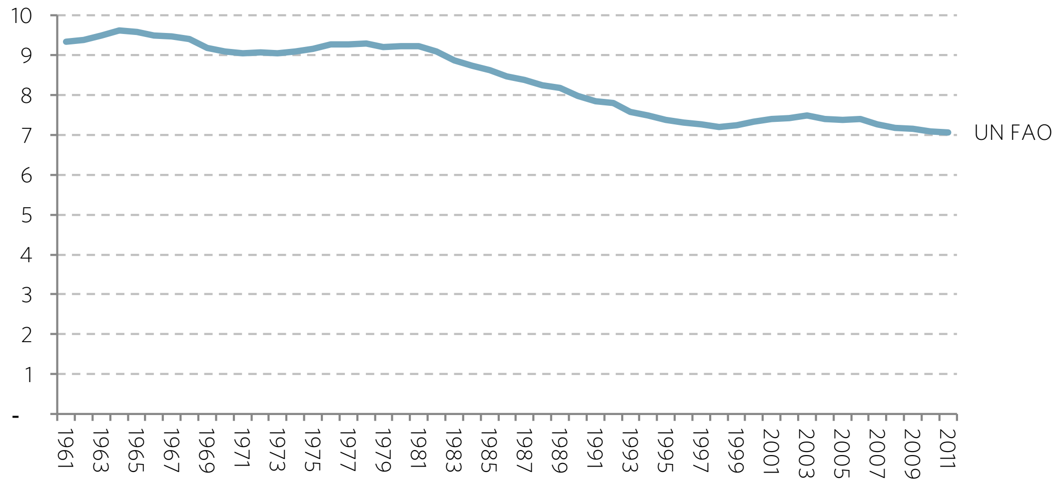
iFAB 2013

GLOBAL WINE PRODUCTION

The global surplus (the European "wine lake") is falling as the decline of global wine production meets rising consumption

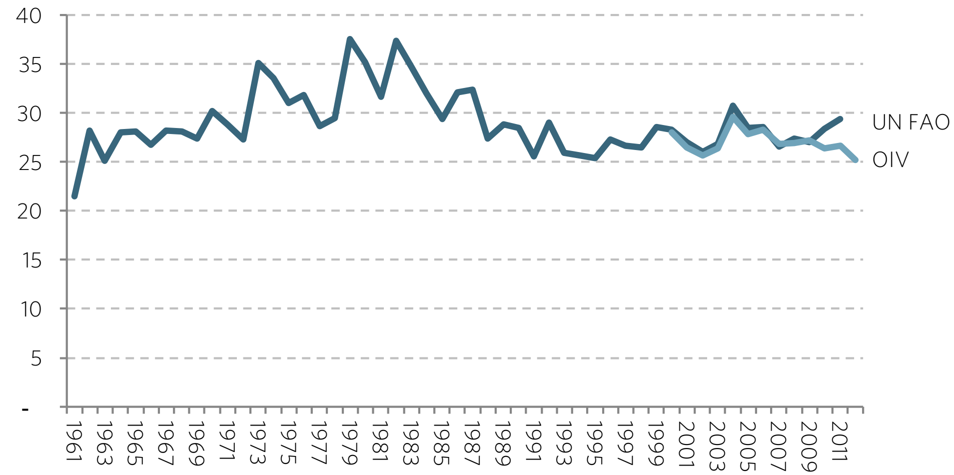
GLOBAL GRAPE AREA (ALL USES)

Hectares; millions; 1961-2011



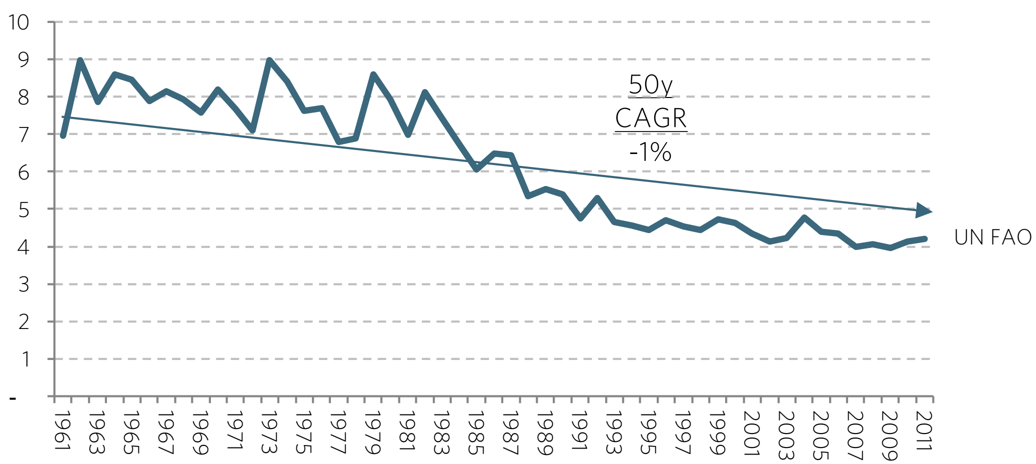
50 YEAR GLOBAL WINE PRODUCTION

Litres; millions; 1961-2011



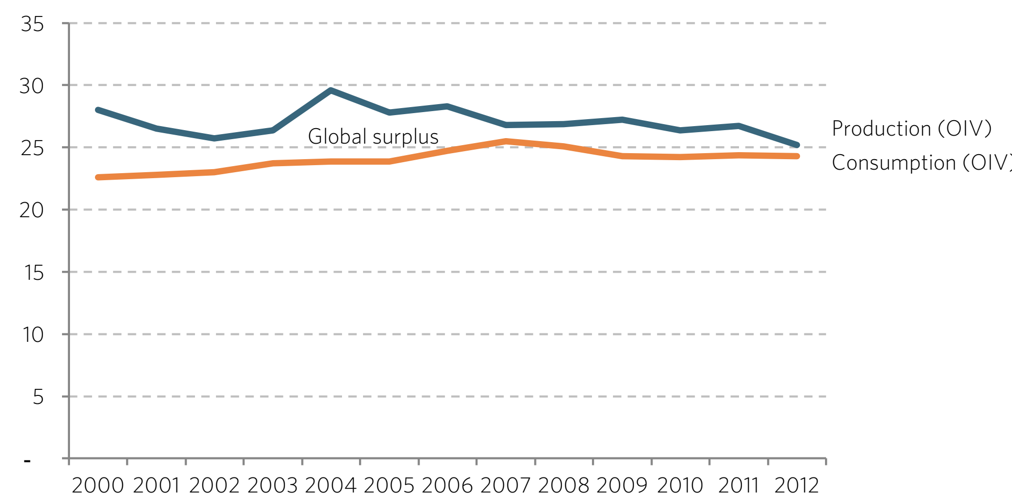
50 YEAR GLOBAL WINE PRODUCTION PER CAPITA

Litres/person; 1961-2011



GLOBAL WINE PER CAPITA PRODUCTION VS. CONSUMPTION

Litres/person; 1961-2011



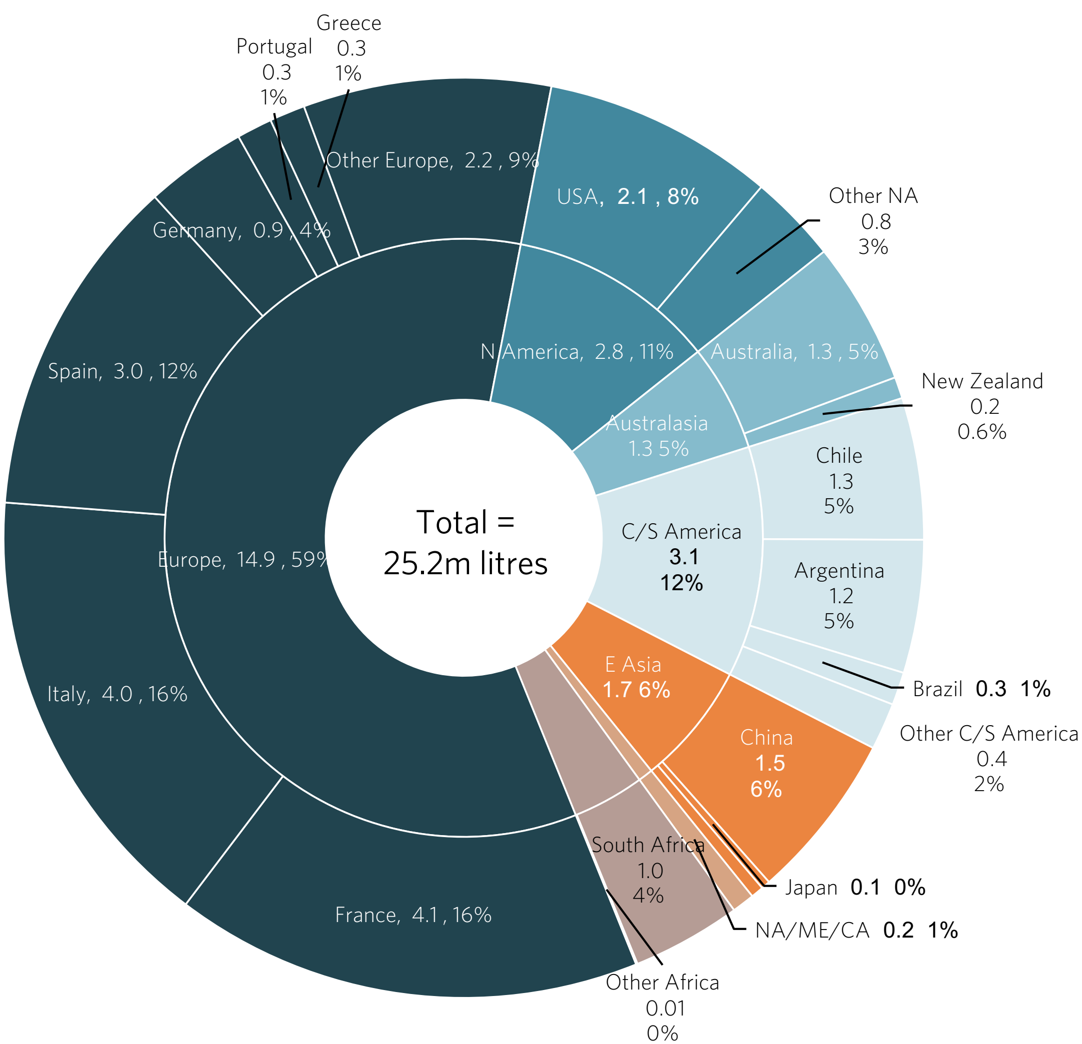
Source: UN FAO AgStat database; OIV "Statistical report on world vitiviniculture 2013"; Coriolis analysis

GLOBAL WINE PRODUCTION BY REGION

Global wine production growing outside Europe, driven by East Asia (particularly China) and Australasia; New Zealand produces 0.6% of global wine

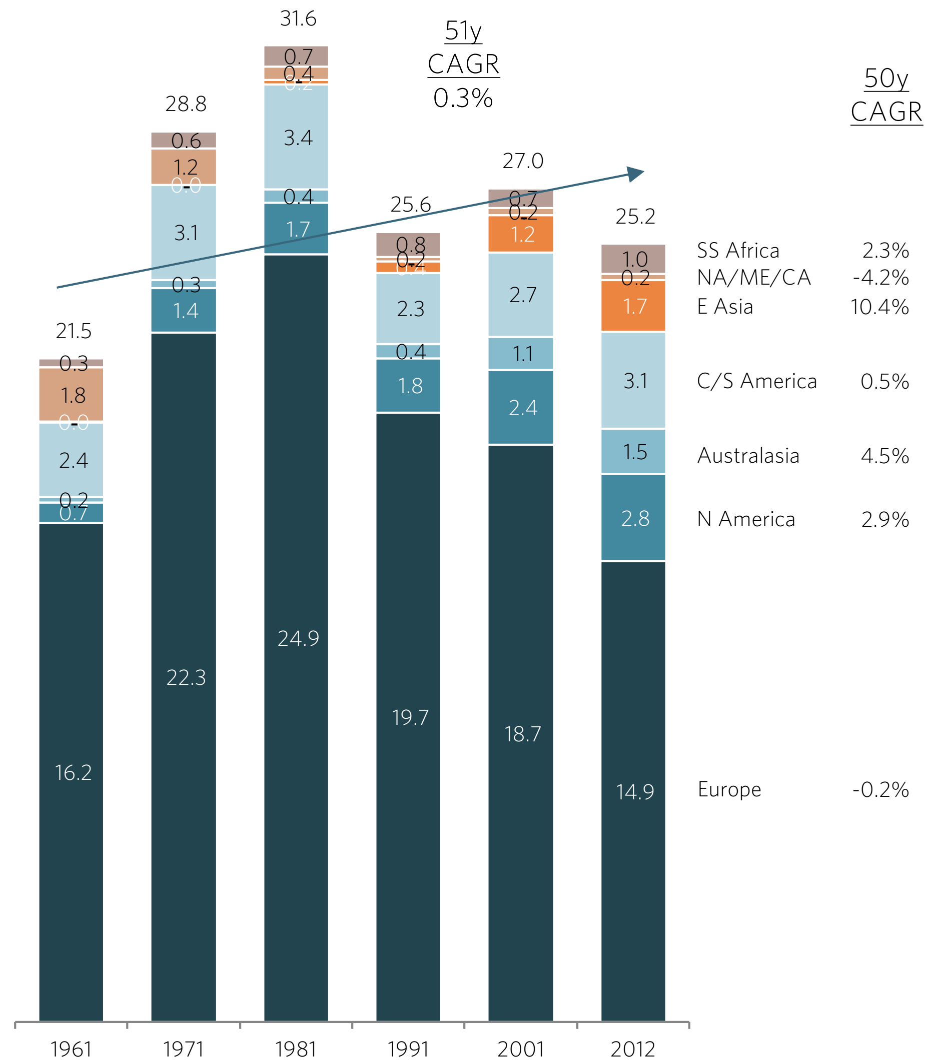
GLOBAL WINE PRODUCTION BY KEY COUNTRIES & REGION

Tonnes; millions; 2012 or as available



51 YEAR WINE PRODUCTION BY REGION

Litres; millions; 1961-2012



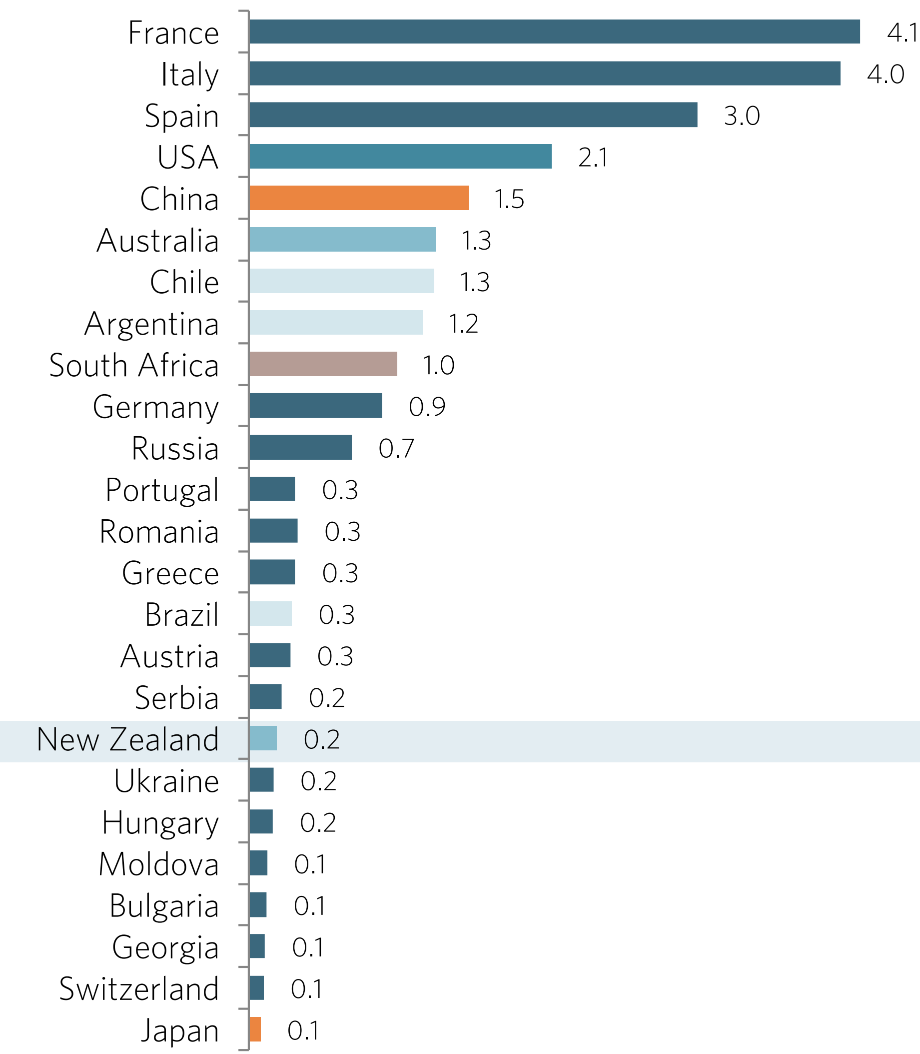
Source: OIV 2012 preliminary; UN FAO AgStat database 2011 where not available in OIV; Coriolis analysis

TOP 30 WINE PRODUCING COUNTRIES

Over the past decade, global wine production shrinking across all major Western European producers and growing elsewhere; New Zealand is the 18th largest producer and led the top 30 in growth over the decade

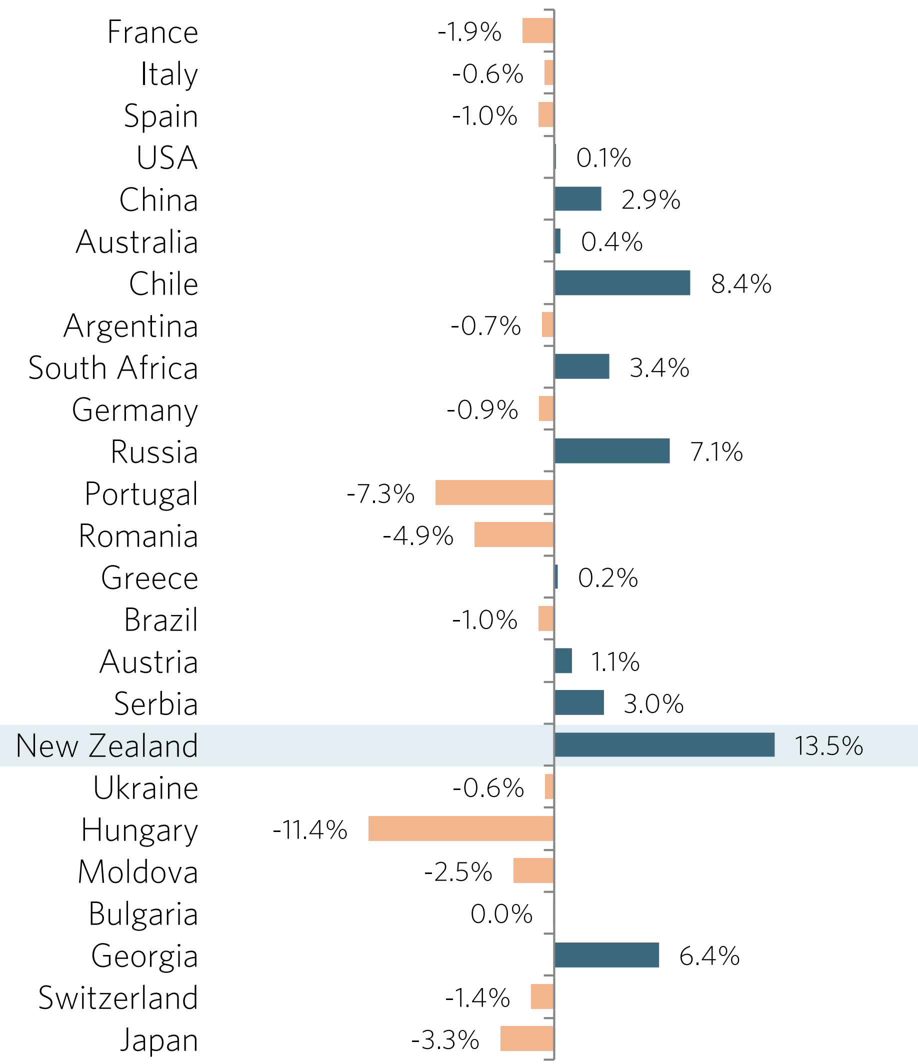
TOP 30 WINE PRODUCERS

Litres; million; 2011



10 YEAR WINE PRODUCTION GROWTH RATE CAGR

%; tonnes; 2002-2012 or 2001-2011



Source: OIV 2012 preliminary; UN FAO AgStat database 2011 where not available in OIV; Coriolis analysis

SUMMARY - OTHER GLOBAL BEVERAGES

New Zealand has a relatively minor position in the global beverage trade outside wine; cider is the key standout

GLOBAL BEVERAGE METRICS BY PRODUCT TYPE/CATEGORY

2011 or as available

	Product	Global production L; b; 2012	Global cross-border trade L; b; 2011	% of production that crosses borders	New Zealand share of world exports % of l; 2011	Top 5 global exporting countries
Alcoholic	Wine	25b	11b	45%	2.4%	France, Italy, Spain, Australia, Chile
	Beer	185b	13b	7%	0.2%	Mexico, Netherlands, Germany, Belgium, UK
	Cider	3b	0.7b	23%	1.6%	Sweden, Ireland, Germany, UK, Netherlands
	Spirits	25b	13b	52%	0.2%	UK, France, USA, Germany, Mexico
Non-alcoholic	Juice	60b	13b	22%	0.2%	Brazil, USA, Belgium, Netherlands, Germany
	Soft drinks	595b	16b	3%	0.4%	Austria, Germany, Netherlands, Switzerland, USA
	Energy drinks	5b				
	Bottled water	232b	30b	13%	0.06%	France, Italy, Belgium, USA, Germany

Source: OIV; UN FAO AgStat database; Beverage Marketing Corp; Rabobank; NACM; UNCTAD; UN Comtrade database; Coriolis analysis & estimates

INPUTS

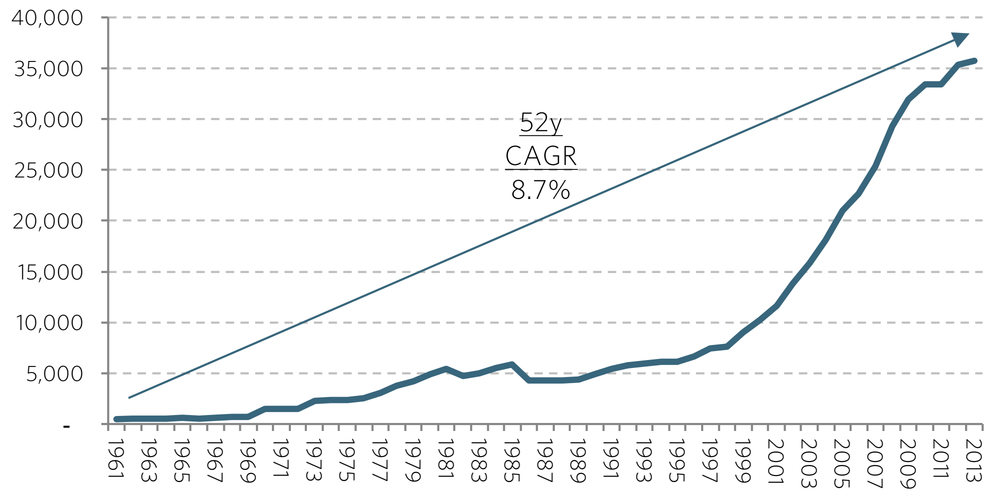
Beverages

WINE – KEY PRODUCTION METRICS

New Zealand is increasing wine production long term primarily through increasing the amount of land growing grapes

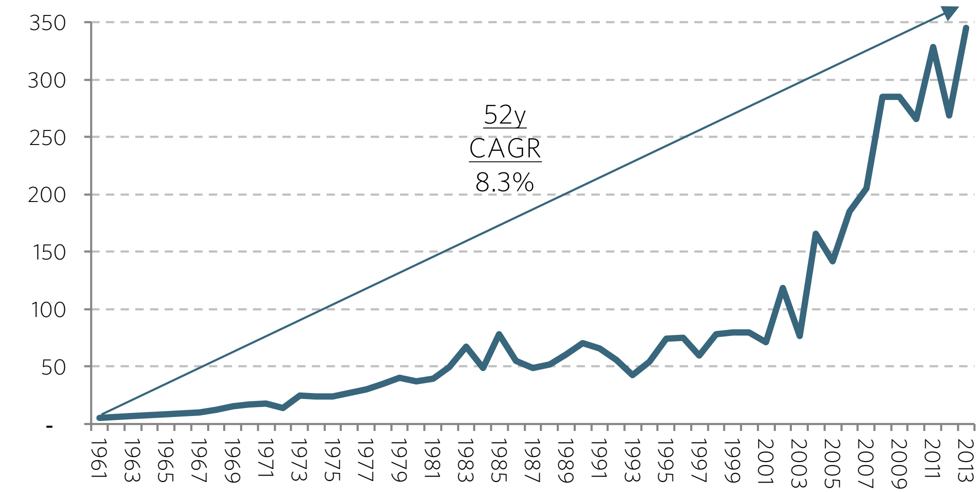
TOTAL HECTARES IN GRAPES

Hectare; 1961-2013



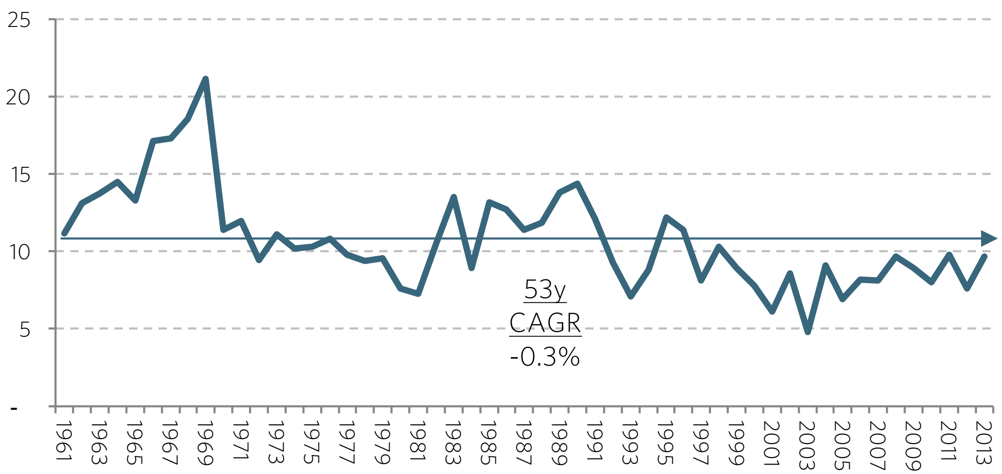
TONNES CRUSHED

Tonnes; 000; 1961-2013



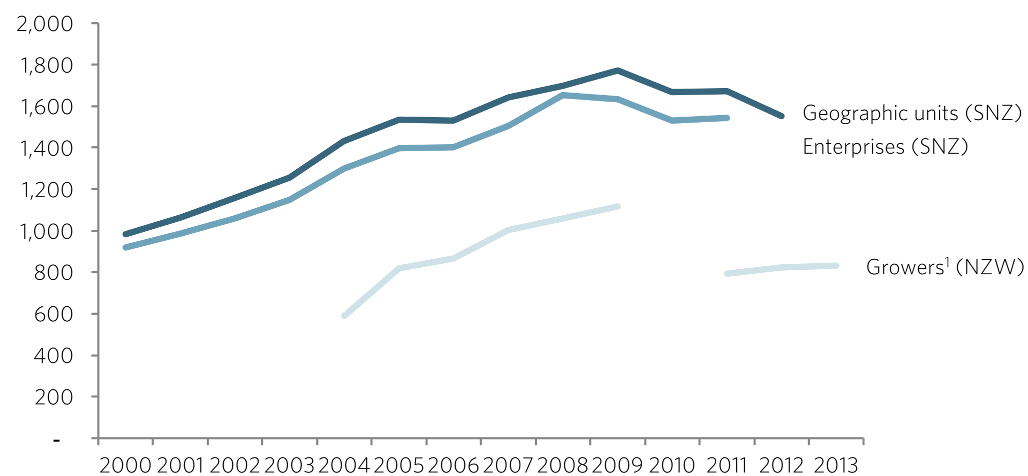
AVERAGE YIELD TONNES PER HECTARE

Tonnes/hectare; 1961-2013



NUMBER OF GRAPE GROWERS

#; actual; 2000-2013



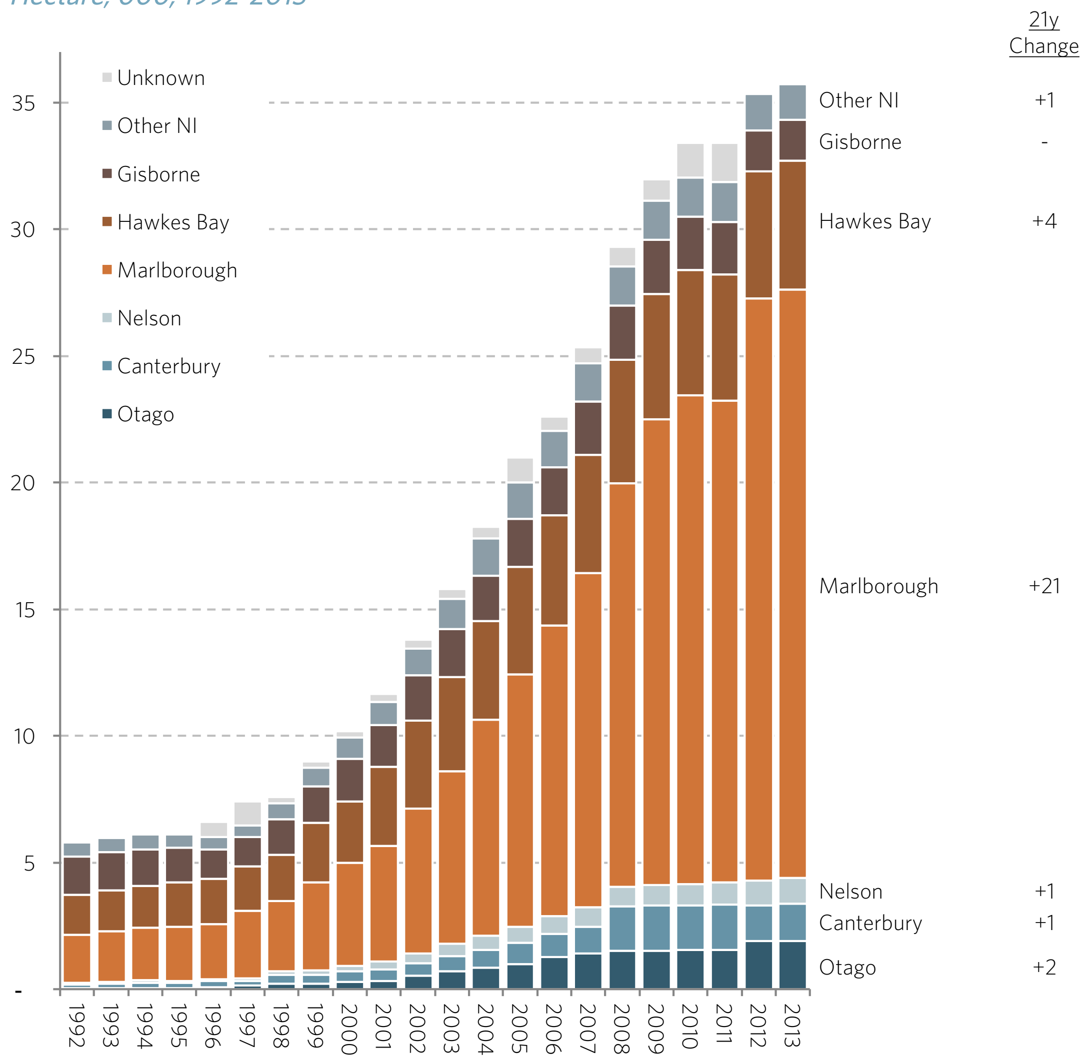
1. Appears to be NZW member growers not total; Source: various NZWine annual reports; UN FAO AgStat database; MAF/MPI; Coriolis analysis

WINE – KEY PRODUCTION METRICS

Area growth is occurring predominantly in Marlborough and in Sauvignon Blanc and Pinot Noir

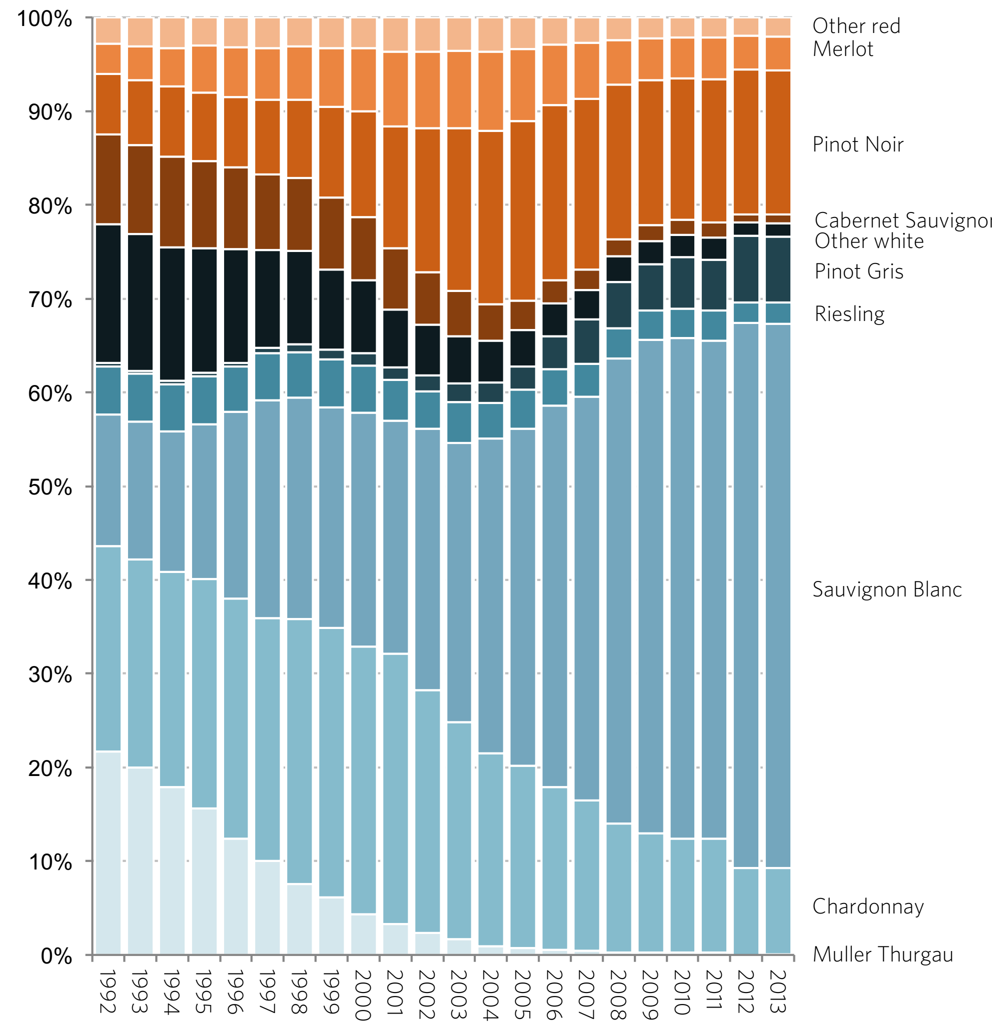
TOTAL HECTARES IN GRAPES BY REGION

Hectare; 000; 1992-2013



SHARE OF HECTARES IN GRAPES BY VARIETY

% of hectare; 1992-2013



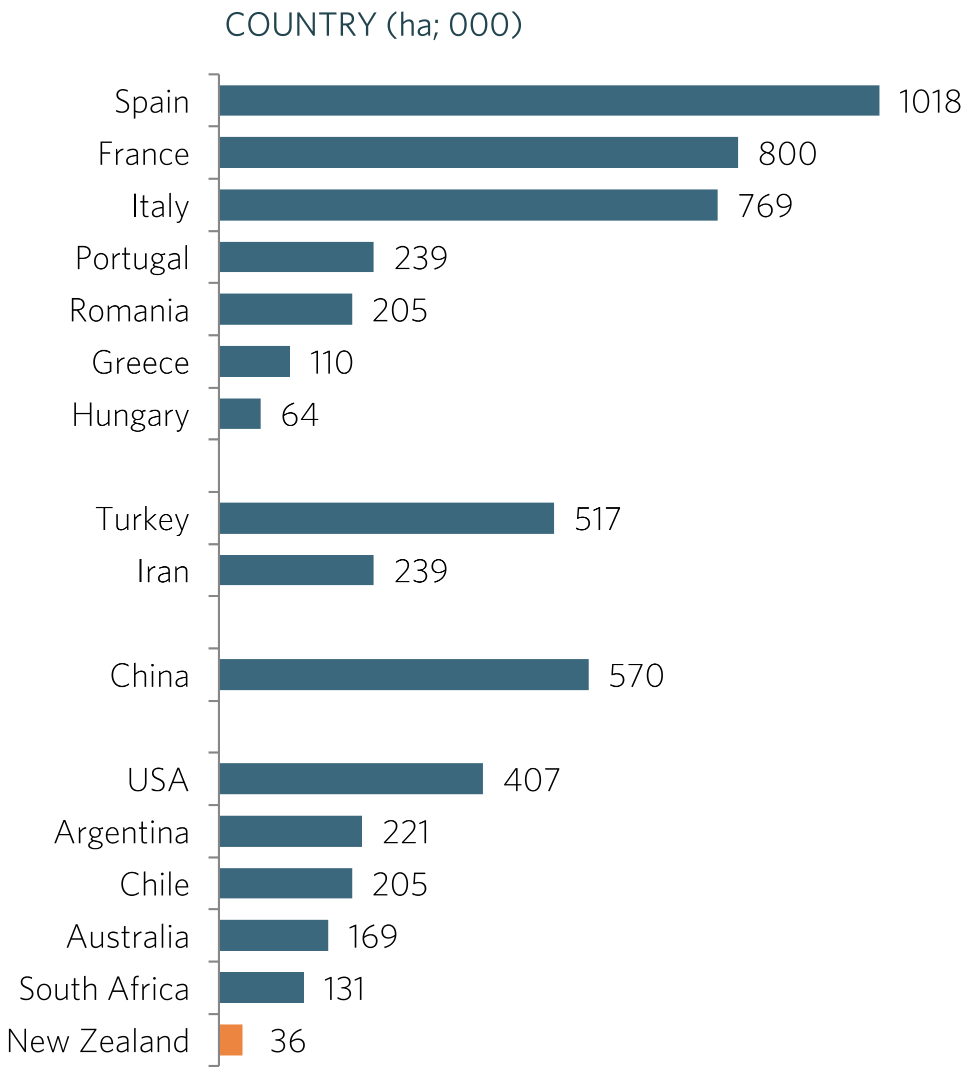
Source: various NZWine annual reports; Coriolis analysis

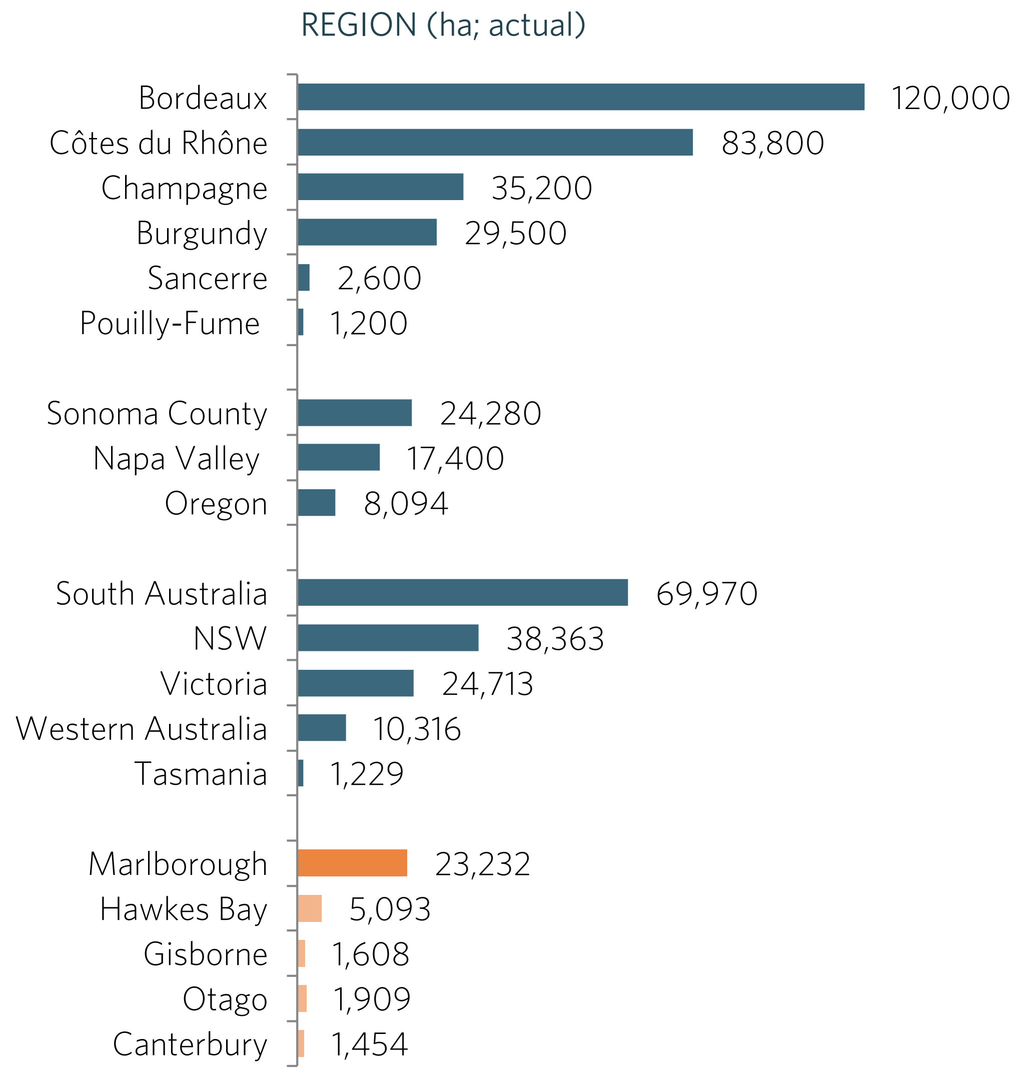
WINE – AREA VS. COMPETITORS

New Zealand does not yet have a lot of area in wine relative to competitors, either at a country or a regional level

WINE GRAPE AREA: NZ VS. SELECT COUNTRY & REGION

Hectare; 2012 or as available





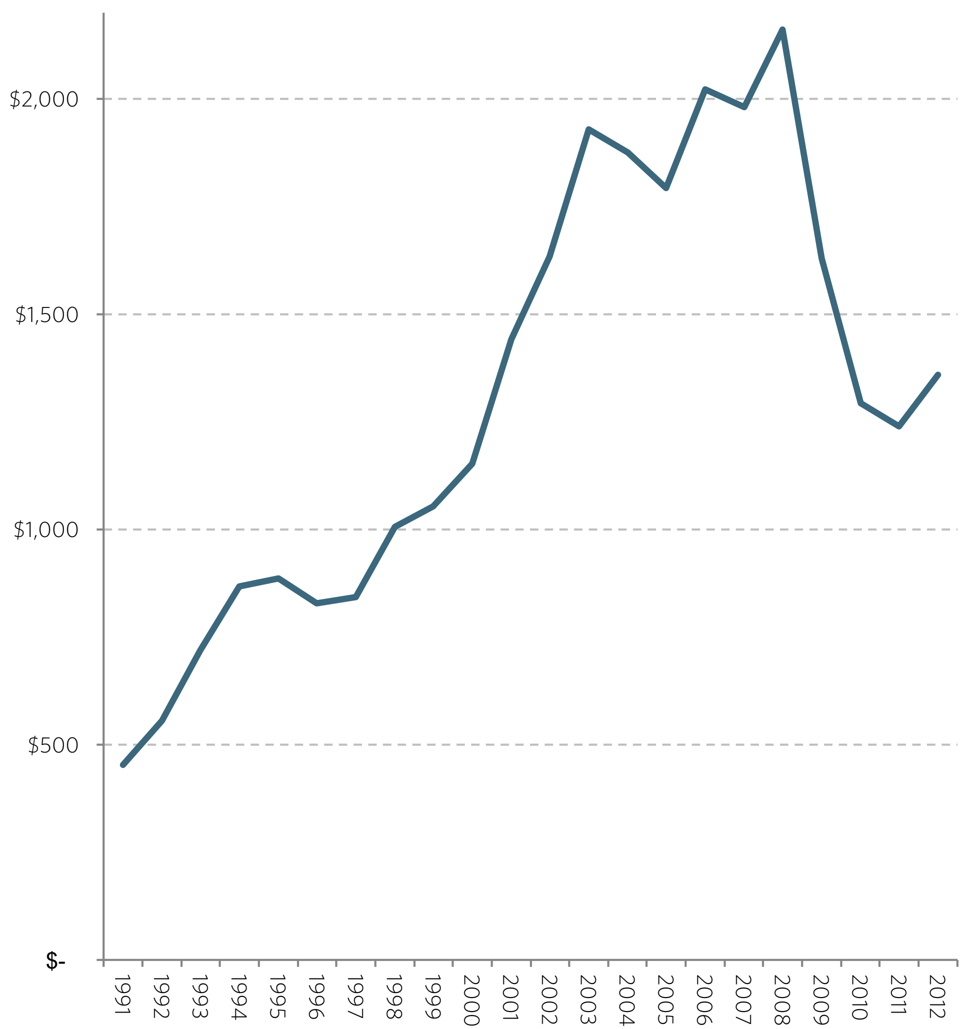
Source: UN FAO AgStat; Statistics NZ; Department of Statistics; DairyNZ; Coriolis analysis

WINE – PRICES

The price of New Zealand grapes to the grower and wine at the border were growing until the global financial crisis; since the there has been a strong correction that appears to have recently bottomed out

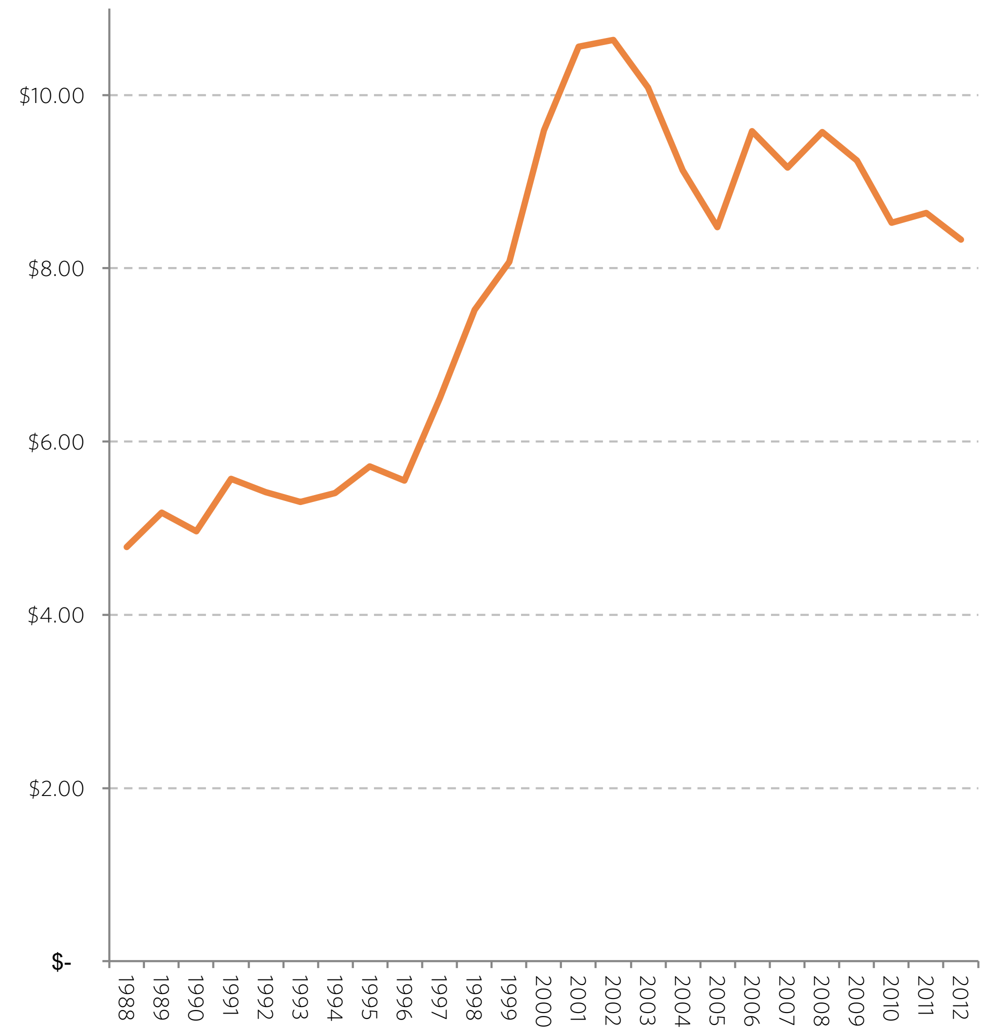
AVERAGE ANNUAL GRAPE PRICE PER TONNE

NZ$; actual; 1991-2012



AVERAGE DECLARED FOB WINE[1] EXPORT VALUE PER LITRE

NZ$; 1988-2012



1. Uses HS 220410; Source: Statistics New Zealand database; various NZWine annual reports; Coriolis analysis

OTHER BEVERAGES

New Zealand also exports a range of other beverages

	Beer	Cider	Spirits	Juice	Flavoured beverages: Soft drinks	Flavoured beverages: Energy drinks	Water
Key Ingredients	Hops Malted barley	Apples Pears	Whey alcohol Grain Other	Apples Kiwifruit Other fruit	Sugar/sweetener Flavours Juices	Sugar/sweetener Flavours	Water
Source of NZ comparative advantage	History of hops production Experience in beer production	Major apple producer	Whey byproduct of dairy industry	Major apple & kiwifruit producer IP controlled varieties	Major producer of obscure fruits (e.g. feijoa)	Early entrant in new category Launched in Australasia before arrival of Red Bull	Country image Marketing
Example							

1. Technically a soft drink is a flavoured beverage, typically sweetened and carbonated; Source: various; photo credit (fair use; low resolution; complete product/brand for illustrative purposes); Coriolis analysis

FIRMS

Beverages

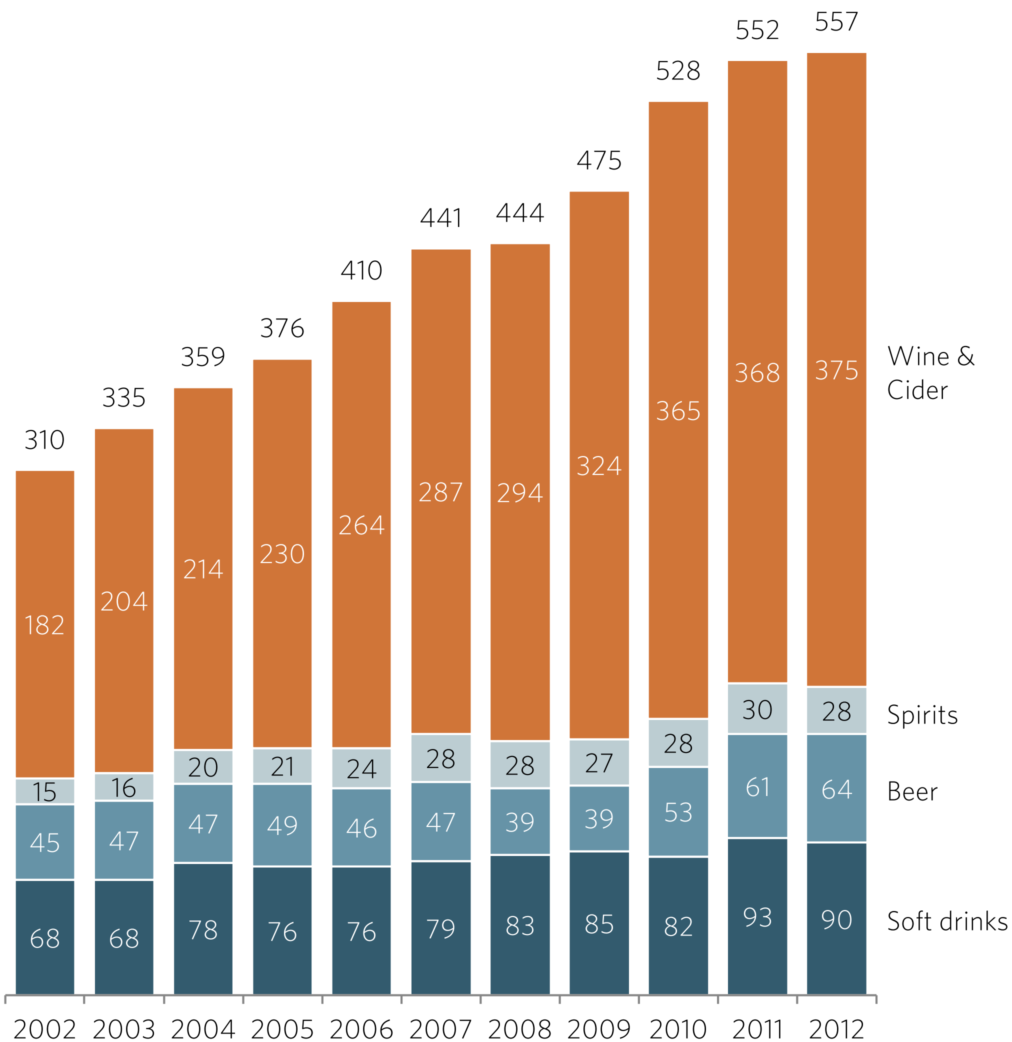
iFAB 2013

NUMBER OF FIRMS

The number of beverages manufacturing firms has grown over the past decade; however in 2012 wine and beer increased number of enterprises while spirits and soft drinks consolidated

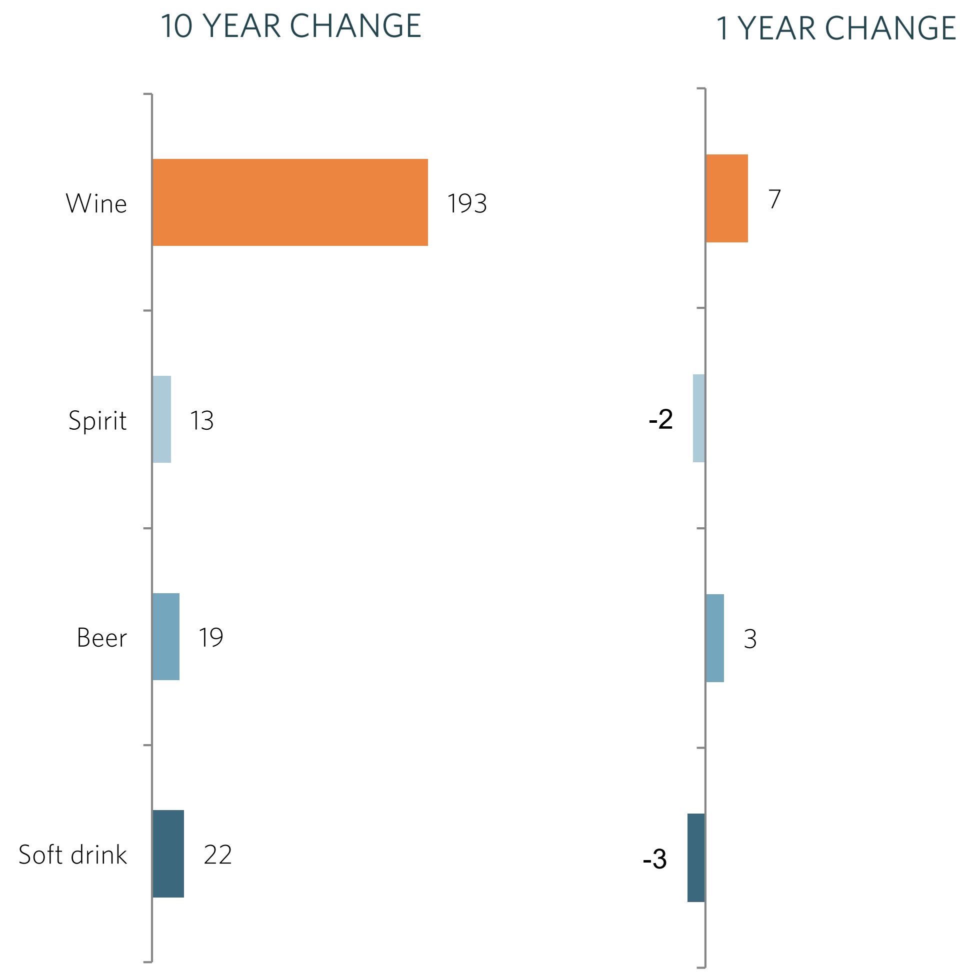
NUMBER OF BEVERAGES MANUFACTURING ENTERPRISES[1]

Enterprises; 2002-2012



CHANGE IN NUMBER OF BEVERAGE MNFG. ENTERPRISES

Enterprises; absolute change; periods as given



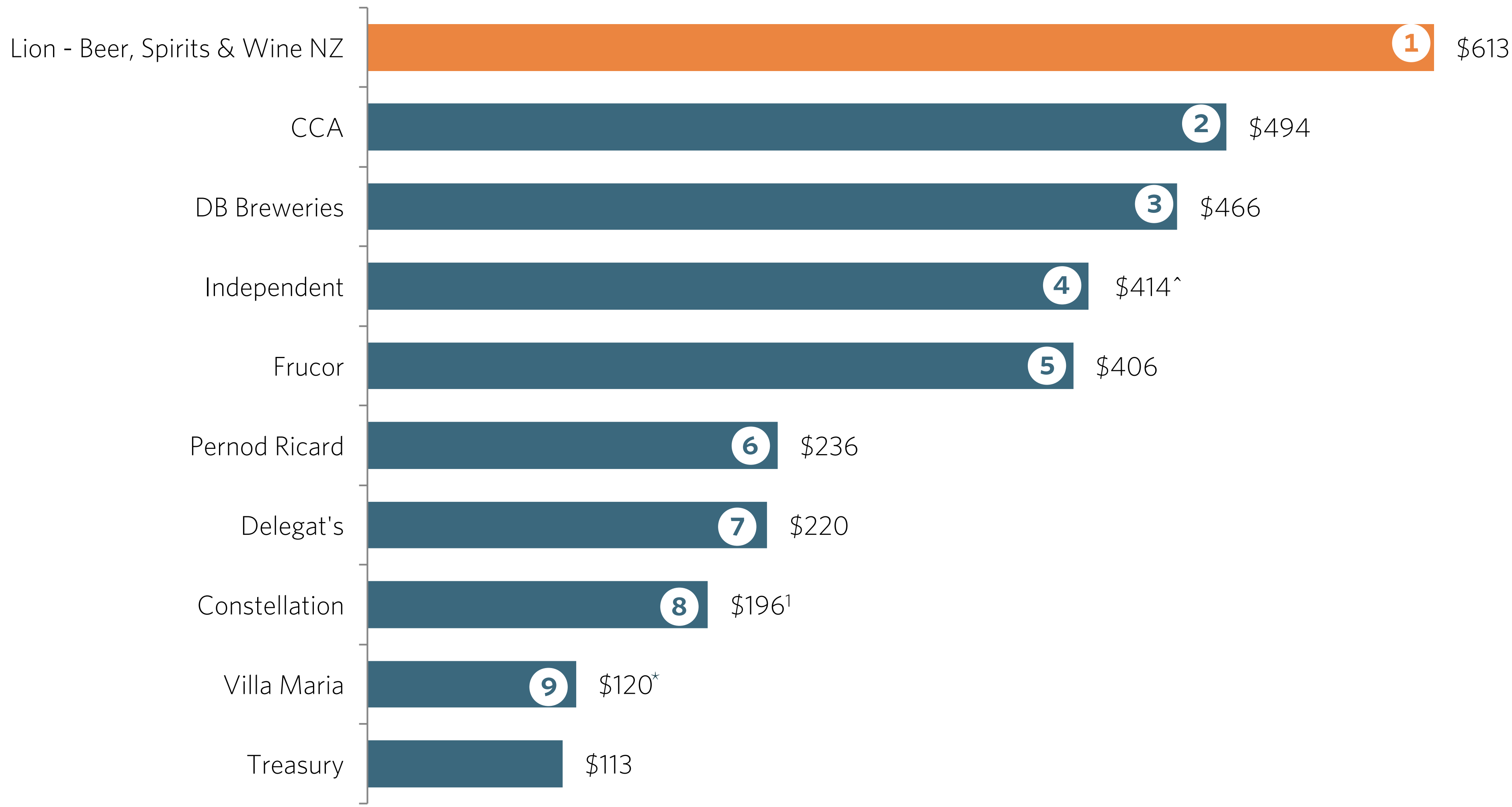
Note: 2012 data latest available as of Oct 2013; defined as C121-100 Soft Drink & Cordial, C121-200 Beer, C121-300 Spirit, C121-400 Wine and other alcoholic beverages; Source: Statistics NZ business demographics database; Coriolis analysis

iFAB TOP TEN BEVERAGES FIRM TURNOVER FY12

Lion BSW continues as the largest beverages firm in New Zealand by turnover in FY12

ANNUAL TURNOVER BY TOP 10 BEVERAGES FIRMS

NZ$m; FY2012



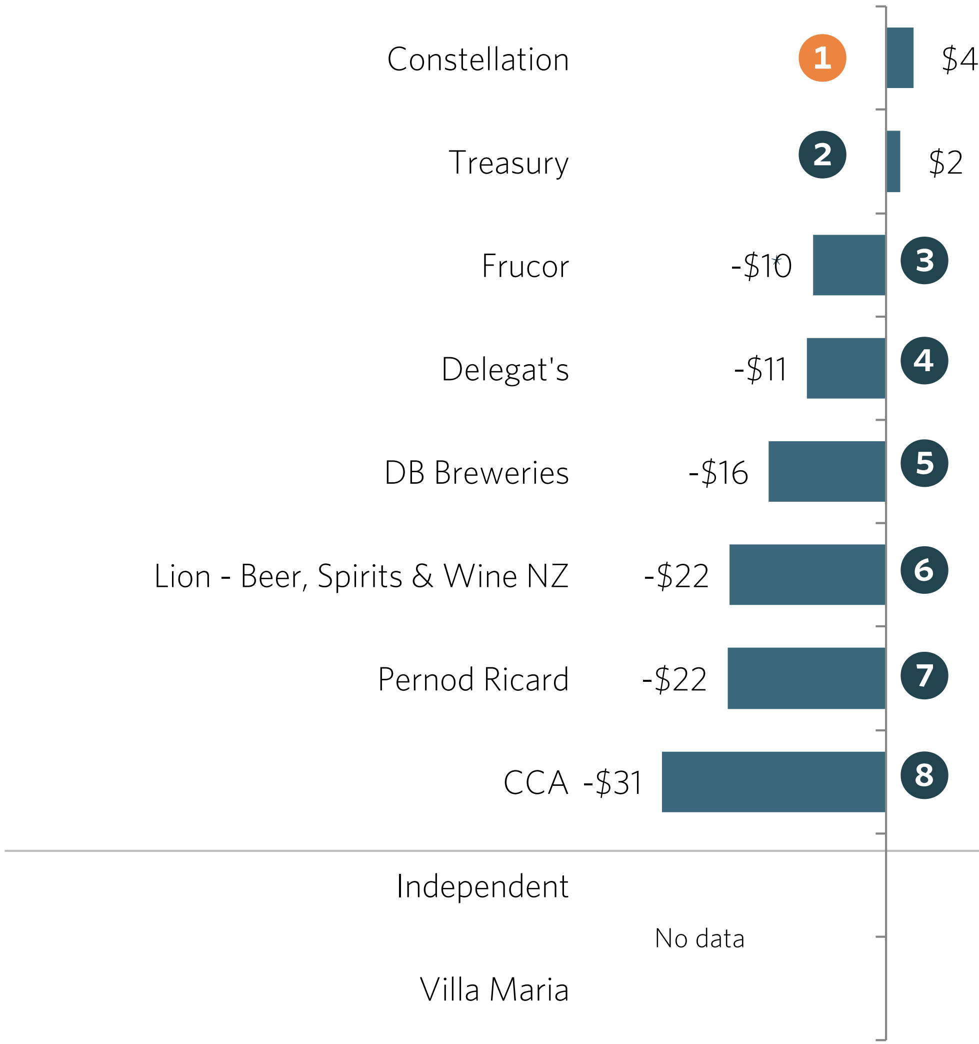
^ Uses FY10 Independents most recent available financials; 1. Uses FY13 Feb year end; *Estimate; Source: various company annual reports; NZCO; Coriolis estimates and analysis

iFAB TOP TEN BEVERAGES TURNOVER GROWTH FY12

FY12 was a difficult year for the top 10 beverages firms with only Constellation and Treasury achieving sales growth

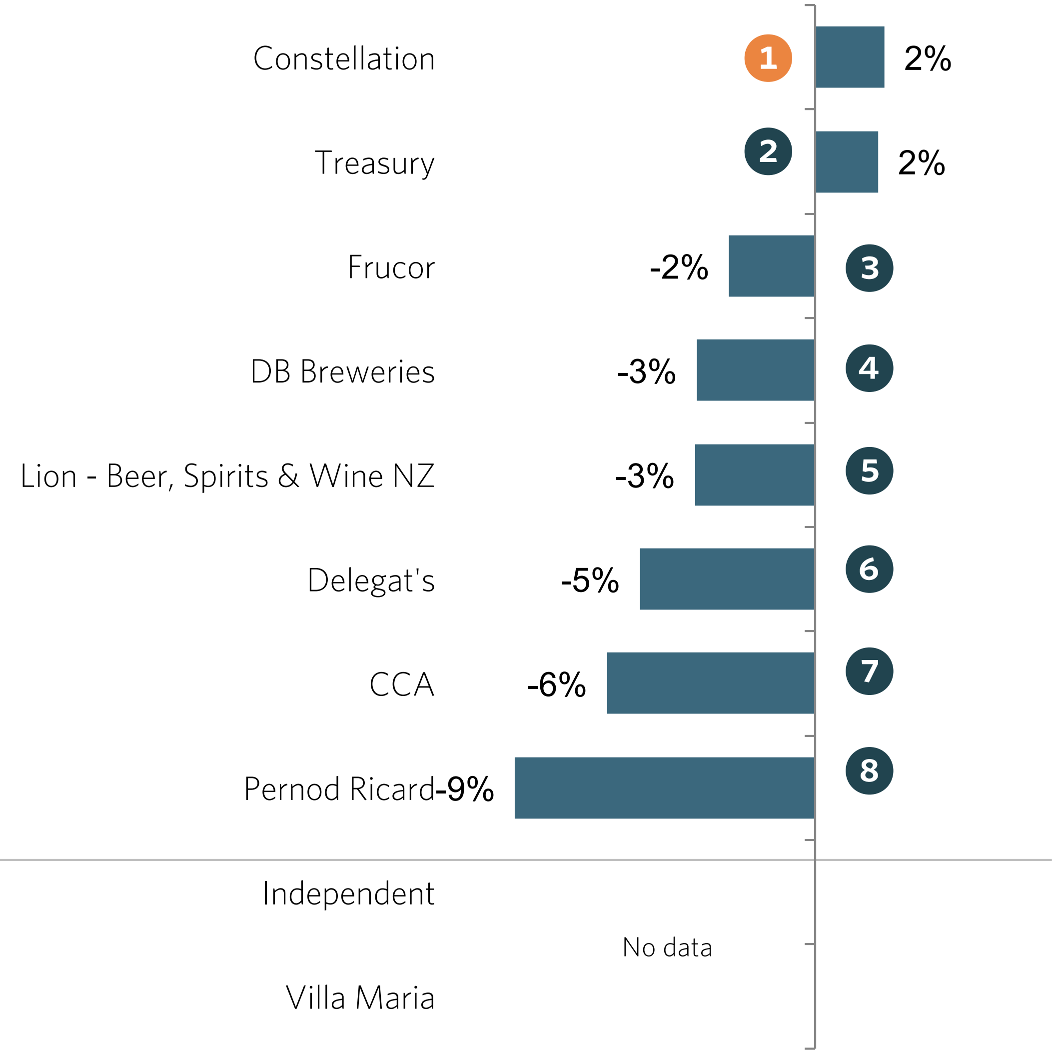
CHANGE IN ANNUAL TURNOVER BY TOP 10 BEVERAGES FIRMS

NZ$m; FY2012 vs. FY2011



ANNUAL TURNOVER % GROWTH BY TOP 10 BEVERAGES FIRMS

NZ$m; FY2012 vs. FY 2011



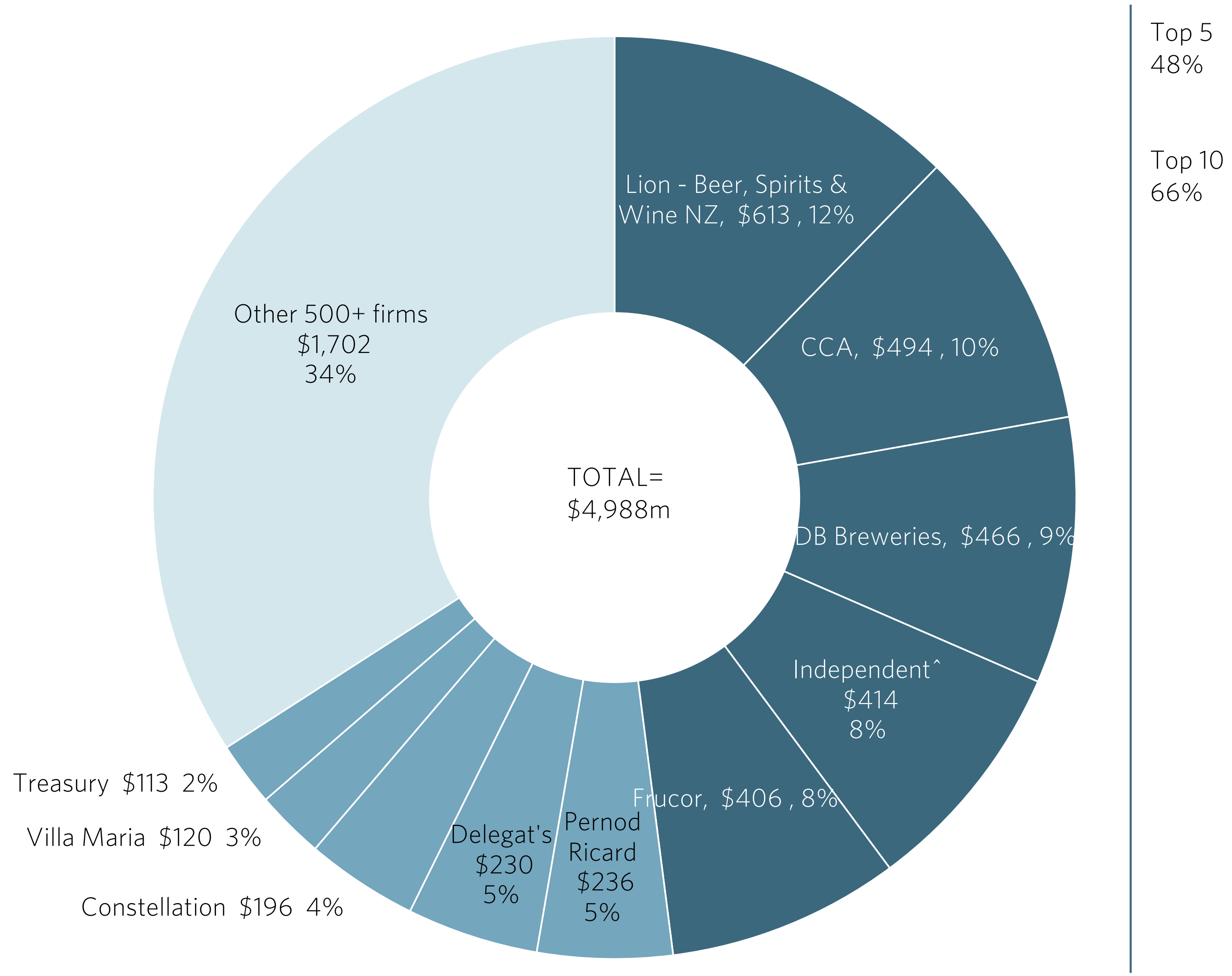
*Estimate; Source: various company annual reports; NZCO; Coriolis estimates and analysis

TOTAL BEVERAGES FIRM TURNOVER

The New Zealand beverages industry is relatively consolidated, with the top ten firms accounting for about two thirds of turnover in FY12

TOTAL NEW ZEALAND BEVERAGES INDUSTRY ANNUAL TURNOVER BY TOP 10 BEVERAGES FIRMS & OTHER

NZ$m; FY2012



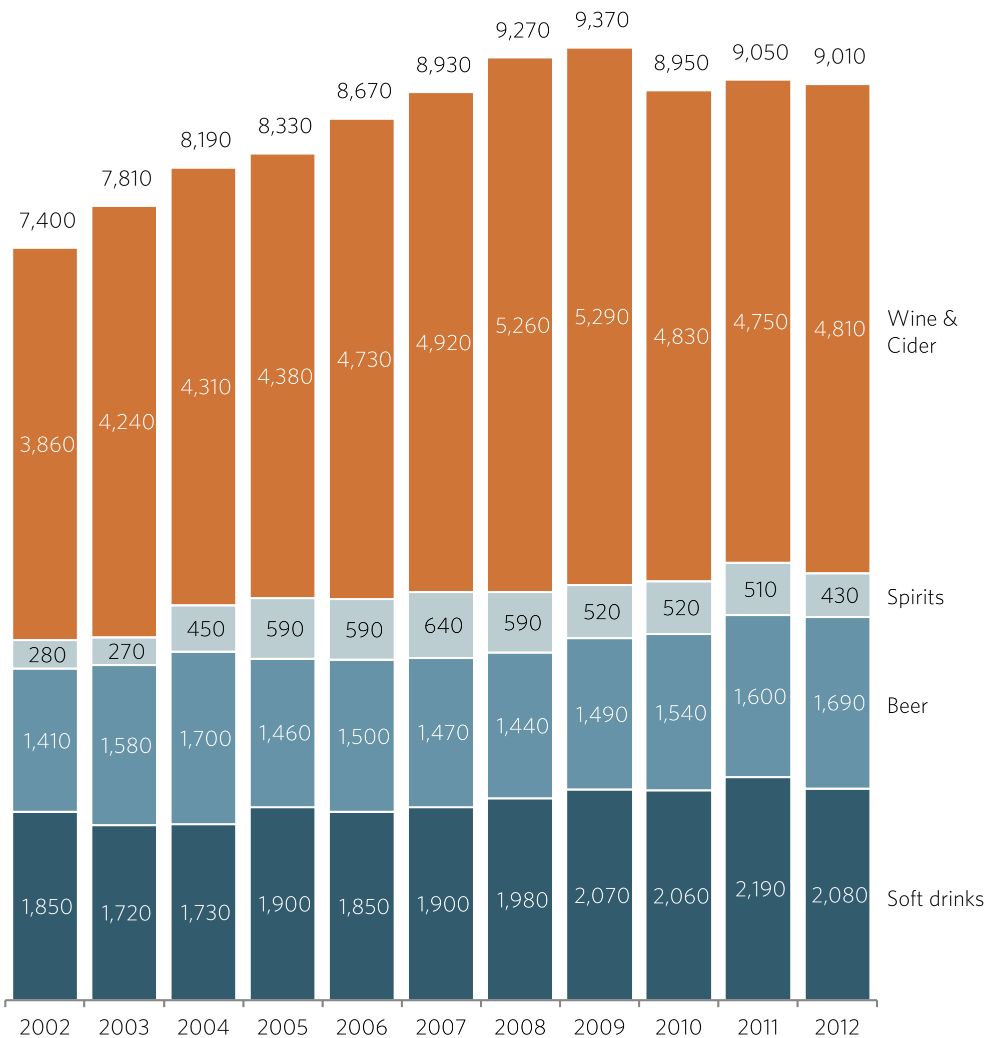
ˆIndependent uses FY2010; N/C = not calculable from data available; Source: various company annual reports; NZCO; Coriolis estimates and analysis

EMPLOYMENT BY SECTOR

The beverages processing industry has grown employment over the past decade, though total employment is down in 2012 driven by soft drinks and spirits

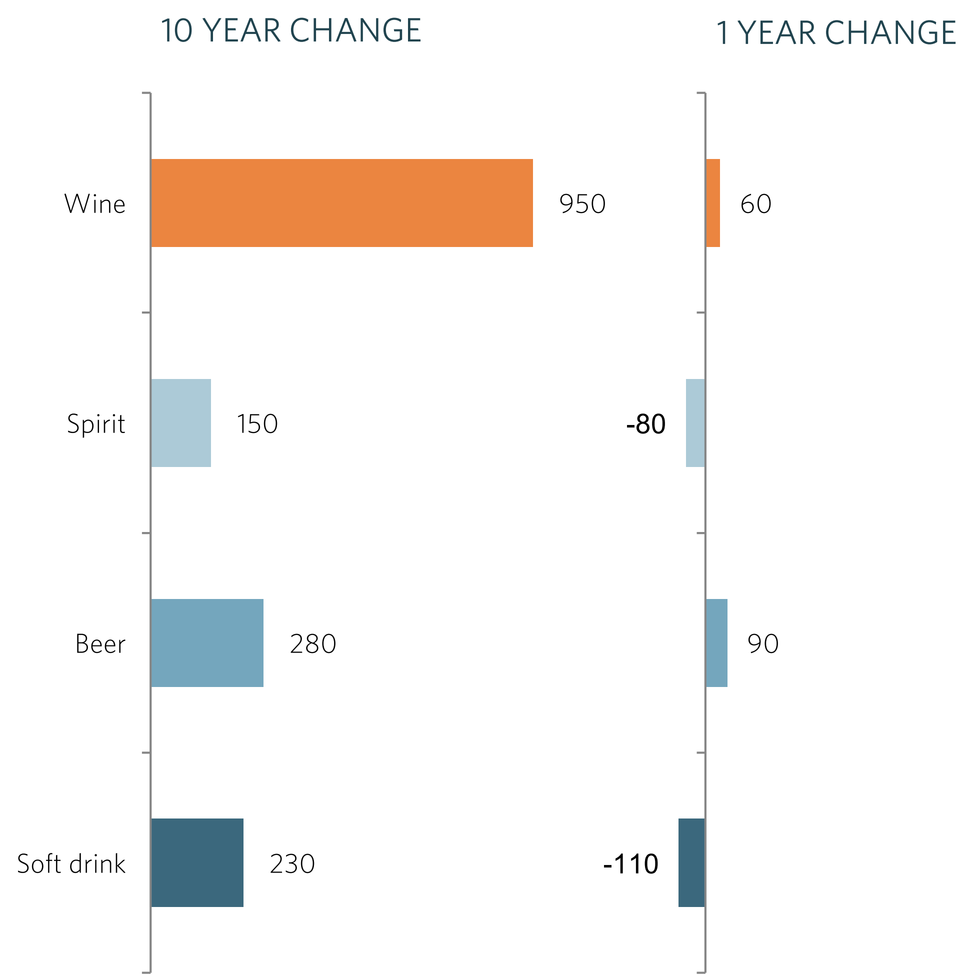
TOTAL EMPLOYMENT BY BEVERAGES MNFG. ENTERPRISES

Headcount; as of Feb; 2002-2012



CHANGE IN BEVERAGES MNFG. EMPLOYMENT

Absolute change; periods as given



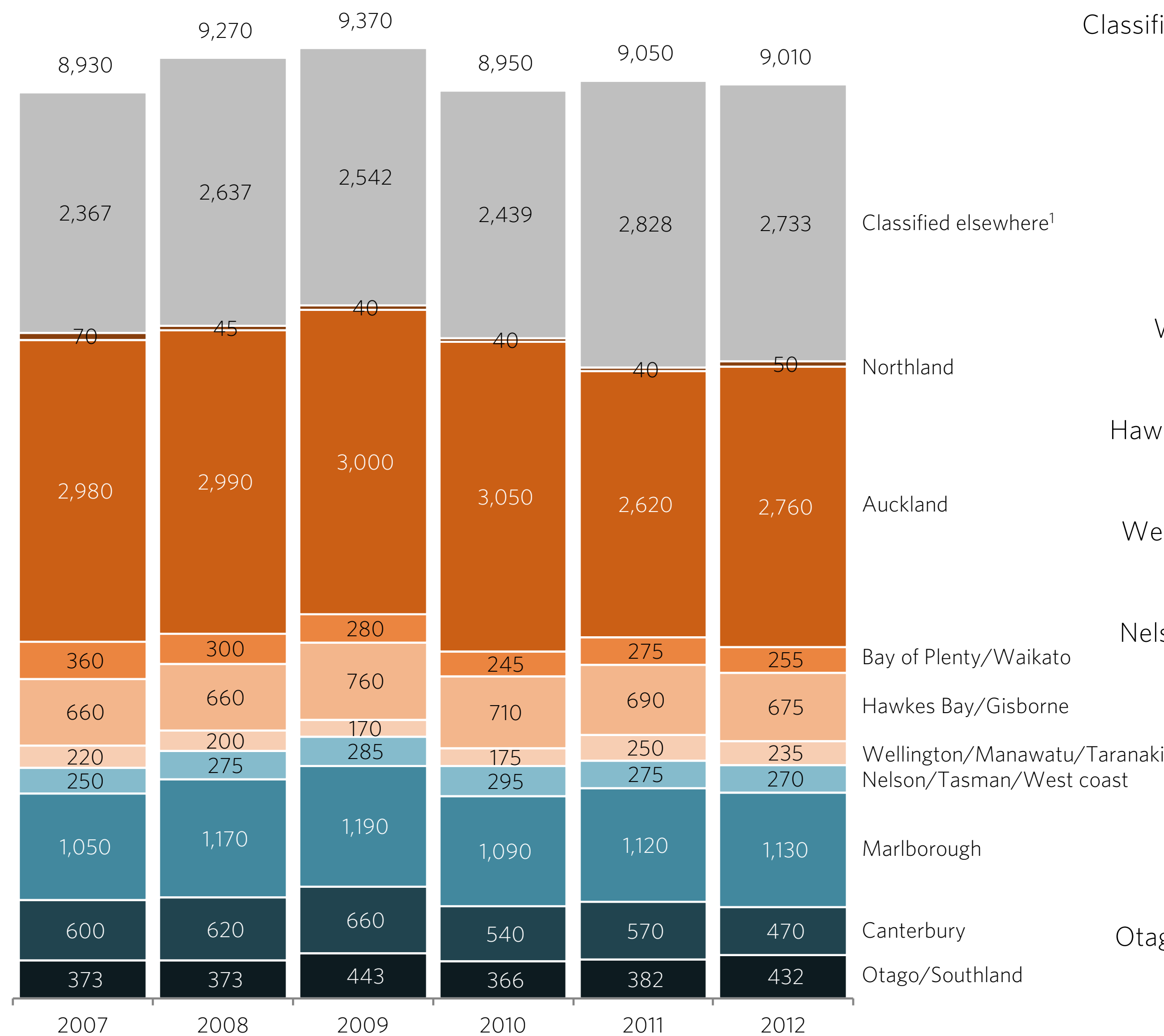
Note: 2012 data latest available as of October 2013; 1. Defined as C113-100 Milk & Cream processing and c113-300 Other beverages processing; Source: Statistics NZ business demographics database; Coriolis analysis

EMPLOYMENT BY REGION

Beverages manufacturing employment growing in Marlborough and Otago/Southland and declining in Canterbury and Auckland; limited change elsewhere

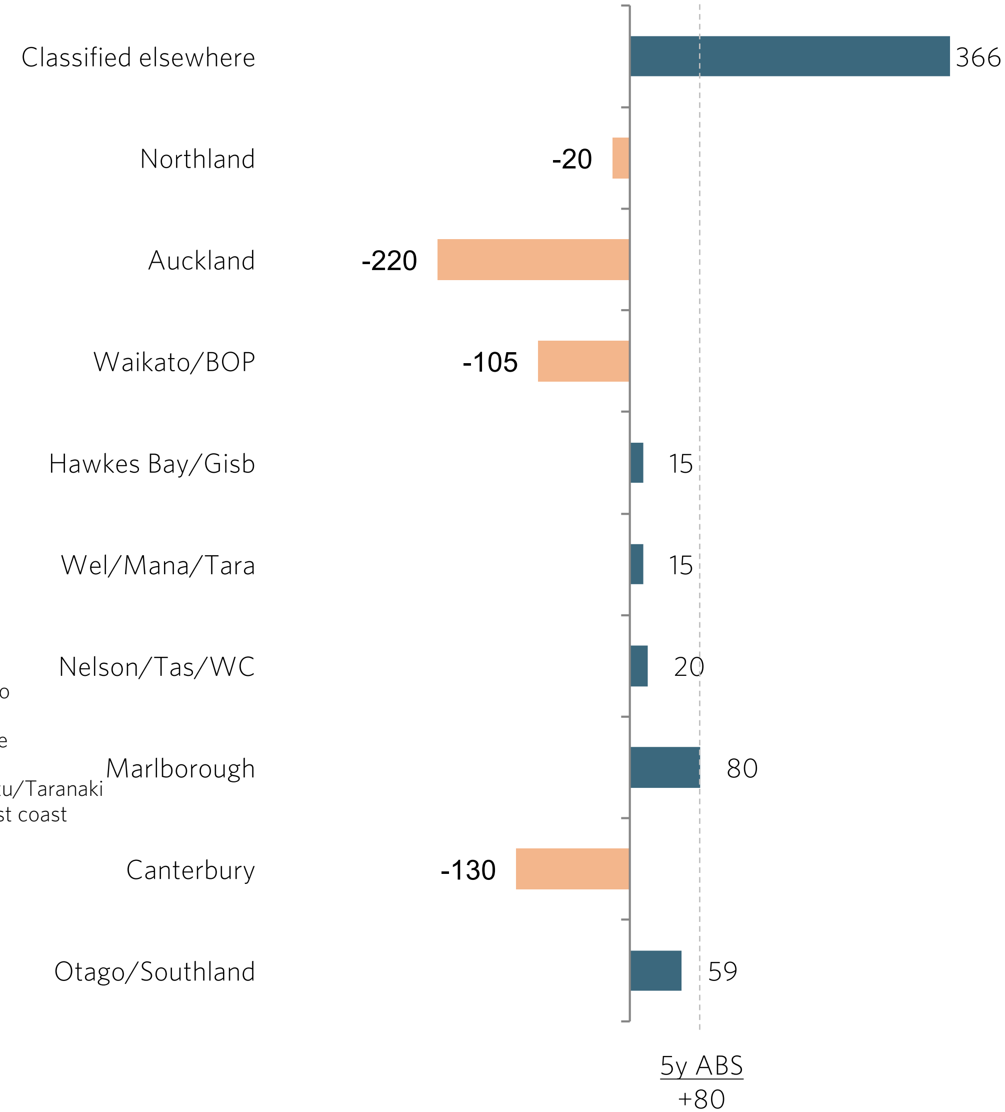
BEVERAGES MNFG. EMPLOYMENT BY REGION

Headcount; as of Feb; 2007-2012



5 YEAR CHANGE IN BEVERAGES MNFG. EMPLOYMENT BY REGION

CAGR; Absolute change; 2007-2012



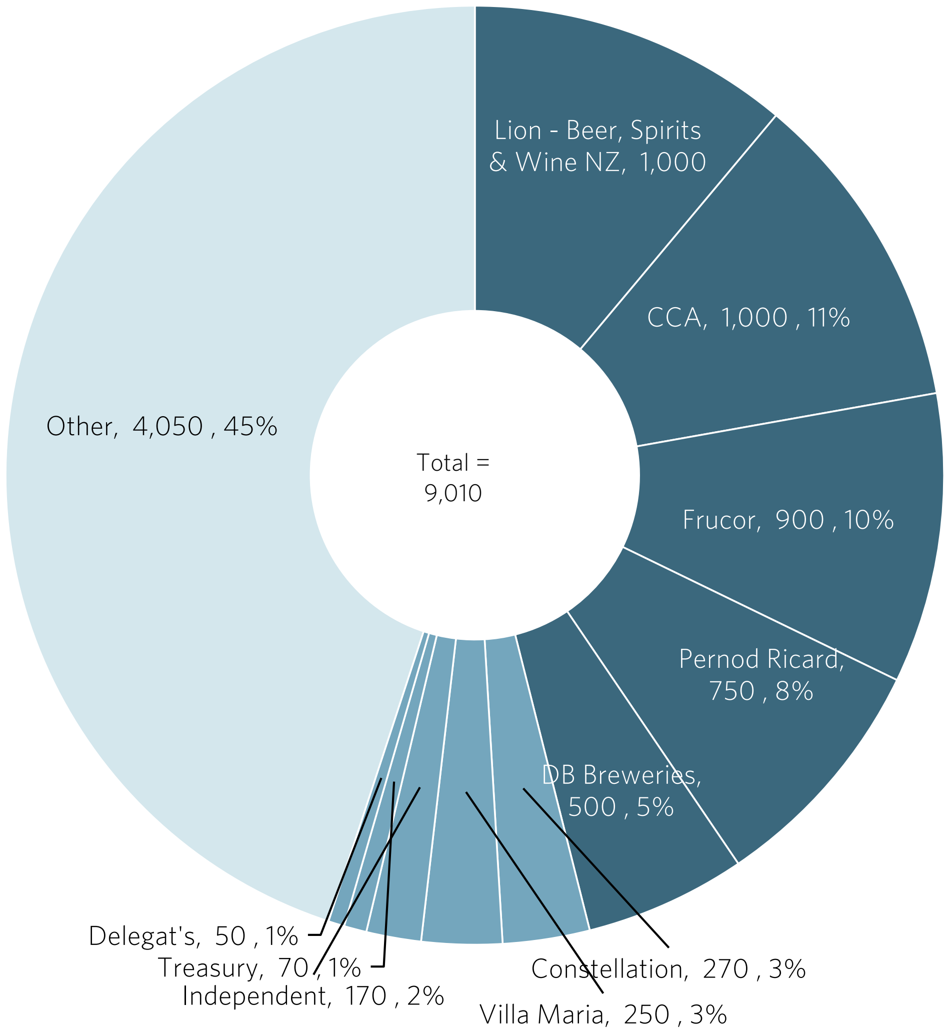
1. Data is geographic level; classified elsewhere would include non-"beverages manufacturing" activities (e.g. regional distribution & wholesaling); Source: Statistics NZ business demographics database; Coriolis analysis

EMPLOYMENT BY FIRM

The top five employers account for about half of industry employment

BEVERAGES MNFG. EMPLOYMENT BY KEY FIRM

Headcount; 2012, 2013



Source: SNZ business demographics; Kompass; various firm websites; published articles; Coriolis interviews & analysis

iFAB TOP TEN NEW BEVERAGE INVESTMENT

Recent investment has been in upgrading and expanding production

IDENTIFIED MAJOR INVESTMENTS IN NEW PLANT/EQUIPMENT

Identified, as of October 2013

Rank	Announced	Investment	Firm	Facility	Location	Opened/planned
1	2012	$35m	Coca-Cola Amatil	Plant upgrade in Mt Wellington, Auckland (employing 400 in Auckland and 1,000 Nationally)	Auckland	2012
2	2012	$30m	Lion	Redevelopment of the Speight's Brewery	Dunedin	2013
3	2011	$20.1m	DB Breweries	New brewhouse	Waitemata	2011
4	Mar 2011	$15m	Coca-Cola Amatil	$15m investment in beverage bottle plant in Christchurch	Christchurch	Jan 2012
5	May 2012	N/A	Babich	Building a new 6,000t winery at Cloudy Bay Business Park, for Marlborough crop	Marlborough	2014
6	2012	$4m	Monteiths	Upgraded brewery	Greymouth, West Coast	2012
7	2012	$4m	Simply Squeezed	Expanding, sourcing additional oranges and greater processing facilities (100 staff, 43 franchises, 22 grower suppliers)	Napier	2012
8	Sept 2013	N/A	Indevin	Leasing and developing 124-hectare sauvignon blanc vineyard in the Awatere Valley	Awatere	2014
9	2012	N/A	MO2	New plant planned with 9,500 bottles/hr with 6 flavours of carbonated milk drink	Waikato	2013
10	2011	N/A	Delegat's Group	Upgrading facility in West Auckland, new bottling and pack line	Auckland	2012

Source: Coriolis from various published articles, annual reports & interviews

iFAB TOP TEN BEVERAGE ACQUISITIONS

There have been a range of identified acquisitions in the beverages industry, ranging from very big to small

IDENTIFIED MAJOR ACQUISITIONS INVOLVING NEW ZEALAND BEVERAGES FIRMS

As of October 2013

Rank	Acquirer	Target	Price	Date	Details
1	Heineken	~50% of APB/DB Breweries it did not own	S$7.9b	Sep 2012	Heineken acquired remaining shareholding in Asia Pacific Breweries it didn't own from Fraser & Neave (JV since 1931); 30 breweries across Asia including DB
2	Asahi	Independent Liquor	$1.5b	Aug 2011	From Erceg family and PEP
3	Asahi	Charlies Beverages	$129.3m	July 2011	New Zealand-based fruit juice producer, includes Charlies, Phoenix and Juicy Lucy brands
4	Delegat's Group	Barossa Valley Estate	A$24.7m	Apr 2013	Acquisition of the assets of Barossa Valley Estate Limited, including a 41 hectare vineyard and 5,000 tonne winery in the Barossa Valley, South Australia
5	Independent Liquor (Asahi)	The Mill	$20.6m	May 2013	Nationwide chain of 35 liquor outlets
6	Foley Family Wines (USA)	Te Kairanga Wines	$11m	2011	127 ha freehold land in Wairarapa, including 6.6 ha of McLeod Vineyard
7	Delegat's Group	Hawke's Bay assets of Matariki Group	$8.5m	Jan 2013	Winery and vineyard assets of Hawkes Bay's Matariki Wines and an associated company Stony Bay Wines; 61ha of land
8	Treasury Wine Estate/Matua	Remaining 50% of Rapaura Vintners (sales of $14.4m FY12)	N/A	Nov 2012	Acquired 50% share of JV partner Babich (plans to extend winery from 15,000tpa to 25,000; an integrated wine business providing packaging, bottling, laboratory and warehousing servicese; expansion value of $11m; change name to Matua Marlborough
9	DB Breweries	92% of Redwood Cellars	$8.2m (AR 12 p14)	Jun 2012	DB Breweries bought a majority shareholding in Nelson cider and fruit wine maker Redwood Cellars
10	Foley Family Wines (USA)	NZ Wine Company	N/A	Aug 2012	Acquisition adds Grove Mill, Sanctuary and Frog Haven brands to its suite of local wines; name changes to Foley Family Wines

Source: Coriolis from various published articles, annual reports & interviews

MORE BEVERAGE ACQUISITIONS

...continued

IDENTIFIED MAJOR ACQUISITIONS INVOLVING NEW ZEALAND BEVERAGES FIRMS

As of October 2013

Acquirer	Target	Price	Date	Details
Lion NZ (Kirin)	Emersons Brewery	$8m	Nov 2012	Addition of New Zealand Craft brewery to portfolio
Delegat's Group	2 Marlborough properties	N/A	Late 2012	121 ha in Wairau Valley and 91 ha in the Awatere Valley
Mission Estate Winery	Cape Campbell	N/A	May 2012	100 ha in Marlborough, Cable Station Rd
Independent Liquor (Asahi)	Founders Brewery	N/A	Feb 2013	Small Nelson craft brewer
Folium Vineyard Ltd	Fromm and Partner	$2.24	Mar 2011	8.4 hectares land in Marlborough
Achim Bauer and Karin Schoch	Kina Beach Vineyard	$2m	Feb 2012	6ha vineyard in Tasman
Yealands	Ager Sectus Wine Estates (ASWE)	N/A	Aug 2011	Two wineries Hawkes Bay and Awatere Valley
VinLink Marlborough	new winery	N/A	2012	New 16,500 T facility at Riverlands estate
Babich	Tetley Brook Vineyard	N/A	Dec 2012	49ha Tetley Brook Vineyard in Marlborough

Source: Coriolis from various published articles, annual reports & interviews

CLOSURES/DIVESTMENTS

There have been number of closures in the beverage sector

IDENTIFIED MAJOR CLOSURES INVOLVING NEW ZEALAND BEVERAGES FIRMS

As of October 2013

Company	Date	Details
Ascension	May 2013	Vineyard (7.56ha) ,winery event venue in receivership (Matakana) ; for sale for $2.3m; 50 job losses
Pernod Ricard Winemakers NZ	June 2012	Closes Hawkes Bay Winery as its under-utilised since selling many brands to Lion - consolidating its manufacturing operations in its Church Road Winery at Taradale. Plans to reinvest in Church Road; 13 job losses
Pernod Ricard Winenmakers NZ	Jan 2011	Sells Lindauer brand and others from Gisborne and Hawkes Bay totalling $89m
St Helena	April 2011	Mortgagee sale of 41.6 hectare winery in Canterbury (established in 1978 by Mundy family)

Source: Coriolis from various published articles, annual reports & interviews

FOREIGN INVESTORS

The New Zealand beverages industry has attracted significant foreign investment

FOREIGN INVESTMENT IN MAJOR NEW ZEALAND BEVERAGES FIRMS

As of October 2013

Date	Investor	Origin	Investment	Investor description
2011	Baywa	Germany	Turners & Growers (ENZA)	Agriculture, building materials & energy
2011	Asahi	Japan	Independent Liquor	Major Japanese brewer
2011	Asahi	Japan	Charlie's Group	Major Japanese brewer
2009	Foley Family Wines	USA	Vavasour	US wine company
2012	Foley Family Wines	USA	NZ Wine Company (Grove Mill, Sanctuary and Frog Haven brands	US wine company
2009	Kirin	Japan	Lion – Beer, Wine & Spirits NZ	Major Japanese brewer
2008	Suntory	Japan	Frucor Beverages	Major Japanese brewer
2006	Bacardi	Bermuda	42 Below Vodka	Largest private, family-owned spirits company in the world (US$5b; 6,000 employees); Bacardi, Grey Goose, Dewar's, Bombay Sapphire
2001	Treasury Wine Estate	Australia	Matua	Foster's wine division; spun off in 2011; Penfolds, Wolf Blass, Jamieson's Rum, others
1998	BRL Hardy; later Constellation Brands	USA	Nobilo Holdings	Global wine producer
1993+	Heineken	Netherlands	DB Breweries	Third largest global beer manufacturer (200m hl)
1991+	Pernod Ricard	France	Pernod Ricard NZ (former Montana)	Global spirits manufacturer and marketer
1990	LVMH	France	Cloudy Bay	Louis Vuitton Moët Hennessy (LVMH) is a multinational luxury goods conglomerate with champagne, cognac, other spirits brands
1939+	Coca-Cola Amatil	Australia	Coca-Cola Holdings NZ	Regional Coca-Cola bottler

Source: Coriolis from various published articles and annual reports

PROFILES

Beverages

iFAB 2013

TOP 10 BEVERAGES FIRM PROFILES

1	2	3	4
LION - B,S & W NZ	**COCA-COLA HOLDINGS NZ**	**DB BREWERIES LTD**	**INDEPENDENT LIQUOR**
 **Rory Glass** Managing Director	 **Barry O'Connell** Managing Director	 **Andy Routley** Managing Director	**Julian Davidson** Chief Executive
DESCRIPTION: Brewer of beer, maker of wine; Steinlager, Lion Red, Speights, Canterbury Draught, Stella Artois (license), Mac's, Isaac's, Emersons, Wither Hills, Corbans, Te Hana, Lindauer, Daniel le Brun, Huntaway, and marketer and distributor of many spirits	DESCRIPTION: Manufacturer and distributor of juice and soft drinks; many brands under license from Coca-Cola USA	DESCRIPTION: Producer of beer and cider; Monteith's, Tui, DB, Export Gold, Old Mout, Heineken (license), Tiger (license)	DESCRIPTION: Distiller of spirits, brewer of beer, Woodstock, Cruiser, Cody's, Canterbury Cream, Boundary Road, others
KEY PRODUCTS: Beer, wine, spirits, RTDs, cider	KEY PRODUCTS: Soft drinks, juices, water	KEY PRODUCTS: Beer, Cider, RTDs	KEY PRODUCTS: RTDs, spirits, beer
OWNERSHIP: Japan; listed on TYO (2503)	OWNERSHIP: Australia; listed on ASX	OWNERSHIP: Netherlands; listed on Euronext Heineken International (via Asia Pacific Breweries, Singapore); Third largest brewer in the world	OWNERSHIP: Japan; listed on TYO (2502); Asahi Group Holdings
COMPANY NUMBER: 33986	COMPANY NUMBER: 440039	COMPANY NUMBER: 71013	COMPANY NUMBER: 354989
ADDRESS: 27 Napier Street, Freemans Bay, Auckland 1011	ADDRESS: The Oasis, Mt Wellington Private Bag 14916, Panmure Auckland	ADDRESS: 1 Bairds Road, Otahuhu, Auckland	ADDRESS: 35 Hunua Road, Papakura, Auckland
PHONE: +64 9 357 0111	PHONE: +64 9 570 3000	PHONE: +64 9 259 3000	PHONE: +64 9 298 3000
WEBSITE: www.lionco.com www.lion-nathan.com.au www.kirin.com www.kirinholdings.co.jp	WEBSITE: ccamatil.co.nz ccamatil.com	WEBSITE: www.db.co.nz www.theheinekencompany.com	WEBSITE: www.independentliquor.co.nz/ www.asahigroup-holdings.com
YEAR FORMED: 1860/1968/1977	YEAR FORMED: 1939/1948	YEAR FORMED: 1930	YEAR FORMED: 1987
STAFF EMPLOYED: 1,000	STAFF EMPLOYED: 1,100	STAFF EMPLOYED: 500	STAFF EMPLOYED: 170
REVENUE: $613.2m (FY12; YE Sep)	REVENUE: $493.8m (FY12; YE Dec)	REVENUE: $465.7m (FY12; YE Sep)	REVENUE: $414.4 (FY10)
COMPANY HIGHLIGHTS: Acquired Emerson's brewery (New Zealand craft beer company)	COMPANY HIGHLIGHTS: New MD; $15m investment in beverage bottle plant in Christchurch; parent acquired Fijian brewer	COMPANY HIGHLIGHTS: New MD replacing Brian Blake (in March 2013); parent Asia Pacific now fully controlled by Heineken	COMPANY HIGHLIGHTS: Acquired The Mill (May 2013, 35 stores); acquired Founders Brewery (Feb 2013); write down of assets in NZ of $533m; court action against former PE owners

Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

TOP 10 BEVERAGES FIRM PROFILES

5	6	7	8
FRUCOR BEVERAGES	**PERNOD RICARD WINEMAKERS**	**DELEGAT'S GROUP**	**NOBILO HOLDINGS** **CONSTELLATION BRANDS NZ**
			
Carl Bergstrom Group Managing Director	**Fabian Partigliani** Managing Director	**Jim Delegat** Managing Director	**Joe Stanton** Chief Executive Officer
DESCRIPTION: Manufacturer of soft drinks, juices and other beverages; V, Just Juice, Citrus Tree, Mizone, others	DESCRIPTION: Wine maker and grower; Montana, Church Road, Deutz, Brancott Estate, Stoneleigh, Longridge ,	DESCRIPTION: Manufacturer of wine; Oyster Bay	DESCRIPTION: Grower and manufacturer of wines; Nobilo, Kim Crawford, Drylands, Monkey Bay, Selaks
KEY PRODUCTS: Soft drinks, juice, water	KEY PRODUCTS: Wine, sparkling wine	KEY PRODUCTS: Wine	KEY PRODUCTS: Wine
OWNERSHIP: Japan; private; Suntory Holdings (90% Kotobuki Realty; Torii family; others)	OWNERSHIP: France; listed on Euronext	OWNERSHIP: New Zealand; listed on NZX:DGL (Delegat family ~66%)	OWNERSHIP: United States; listed on NYSE (STZ)
COMPANY NUMBER: 913026	COMPANY NUMBER: 86020	COMPANY NUMBER: 523716	COMPANY NUMBER: 1477933
ADDRESS: 86 Plunket Avenue, Wiri, Auckland 2104	ADDRESS: Level 5, 4 Viaduct Harbour Avenue Auckland Central, Auckland 1010	ADDRESS: Level 1, 10 Viaduct Harbour Avenue, Auckland	ADDRESS: 45 Station Road, Huapai PO Box 471, Kumeu Auckland
PHONE: +64 9 250 0100	PHONE: +64 9 336 8300	PHONE: +64 9 359 7300	PHONE: +64 9 412 6666
WEBSITE: www.frucor.co.nz www.suntory.com	WEBSITE: www.pernod-ricard-nz.com	WEBSITE: www.delegats.co.nz	WEBSITE: www.constellationnz.com www.cbrands.com
YEAR FORMED: 1987	YEAR FORMED: 1961 (Montana)	YEAR FORMED: 1947/1991	YEAR FORMED: 2004
STAFF EMPLOYED: 900	STAFF EMPLOYED: 750	STAFF EMPLOYED: 50	STAFF EMPLOYED: 270 (Dry 100)
REVENUE: $405.8m (FY12; YE Dec)	REVENUE: $235.9m (FY12; YE Jun)	REVENUE: $222m (FY12); $230m (FY13; YE June)	REVENUE: $192m (FY12); $195.8m (FY13; YE Feb)
COMPANY HIGHLIGHTS: Parent Suntory went public in Japan as family owners sold down share (Jul 2013)	COMPANY HIGHLIGHTS: Changed name to Pernod Ricard Winemakers NZ; rebranded Montana as Brancott	COMPANY HIGHLIGHTS: Acquired Barossa Valley Estate in Australia; acquired 496ha in Marlborough and several vineyards in Hawkes Bay; case sales up +25% to North America; North America will be key growth region for the group for the next 6 years; Operating EBIT $44.6m	COMPANY HIGHLIGHTS: Parent firm sold all Australian operations in Dec 2010

* estimate; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

TOP 10 BEVERAGES FIRM PROFILES

9	10
VILLA MARIA ESTATE	**TREASURY WINE ESTATES**
VILLA MARIA NEW ZEALAND	TREASURY WINE ESTATES MATUA
	
Sir George Fistonich Founder & Owner	**Sam Glaetzer** Director NZ
DESCRIPTION: Wine maker and grower; Villa Maria, Vidal Estate, Riverstone, Thornbury, Esk Valley, Te Awa	DESCRIPTION: Wine maker and grower; Matua
KEY PRODUCTS: Wine	KEY PRODUCTS: Wine
OWNERSHIP: New Zealand; private (Fistonich family)	OWNERSHIP: Australia; listed on ASX
COMPANY NUMBER: 291073	COMPANY NUMBER: 271464
ADDRESS: 118 Montgomerie Road, Mangere, P O Box 43046, Mangere, Auckland	ADDRESS: Waikoukou Valley Road, Waimauku, Kumeu
PHONE: +64 9 255 0660	PHONE: +64 9 354 5250
WEBSITE: www.villamaria.co.nz	WEBSITE: www.treasurywineestates.com www.matua.co.nz/
YEAR FORMED: 1961	YEAR FORMED: 1974/1985
STAFF EMPLOYED: 250	STAFF EMPLOYED: 70 (?)
REVENUE: $120m* (FY13 estimate)	REVENUE: $112.7m (FY12; YE Jun)
COMPANY HIGHLIGHTS: Founder inducted into NZ Business Hall of Fame; founder awarded 2013 Rabobank Leadership Award	COMPANY HIGHLIGHTS: Acquired remaining 50% share in JV Raparua Vintners (sales $14.4m); released first carbon zero wine

*Estimate; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

OTHER BEVERAGES FIRM PROFILES

Company	MD/CEO	Business description	Ownership Company #	Formed	Revenue	Staff	Address	Website
ENZA Foods	John Marks General Manager	Fruit juice and ingredient manufacturer (retail, foodservice, ingredients, toll processing) in Hastings and Nelson	41406 T&G (Foreign, Germany owned Baywa)	1962/ 1990	$57.3m	150	1305 Tomoana Road, Hastings, Hawkes Bay 64 6 878 9296	www.enzafoods.co.nz Freshfields and ENZA brands
Yealands Wine Estate	Jason Judkins CEO	Winery in Awatere and Hawkes Bay #6 wine company; Yealands, Violet, Crossroads, Talisman brands	1763574 NZ; Private (75% Yealands, 25% ASWE, Cutfield others)	2006	$50-100m+	130	534 Seaview Road Seddon , Canterbury 64 3 575 7618	www.yealands.co.nz
Craggy Range Vineyards	Michael Wilding COO	Wine makers across five vineyards	912925 Foreign AU (Tandom)	1998	$31.8m	120	253 Waimarama Road Havelock North, 64 6 873 7126	www.craggyrange.com
Simply Squeezed Ltd	Adrian Barr Chief Executive	Manufacturer of fresh juices 7,000 tpa fruit processed	2352451 Private: Japan Frucor (Suntory)	1993/ 2009	$25-35m*	100	Level 1, 15 Hardinge Road Ahuriri	www.simplysqueezed.com
The Better Drink Co Ltd	Craig Cotton Chief Executive	Juice and beverage company	969423 Foreign, Japan; listed Asahi	1982	$32m*	80	Suite 101, The Axis Building, 1 Cleveland Road, Parnell, Auckland 64 9 837 6740	www.charliesgroup.co.nz/ "The Better Drinks Co." Charlies, Phoenix, Juicy Lucy, Stash Tea
Harrington's Breweries	John Harrington Director	Beer and RTD manufacturing and retail	133038 NZ; private (Harrington family)	1991	$25-30m*	70	199 Ferry Road Philipstown, Christchurch 64 3 355 5632	www.harringtonsbreweries.co.nz
Foley Family Wines NZ	Mark Turnbull CEO	USA wine company; Vavasour, Grove Mill, Te Kairanga, Goldwater, Sanctuary, The Pass, Boatshed Bay, Dashwood brands	307139 Foreign; USA (Foley 80%; 20% NZ)	1986	$30.9m	60*	13 Waihopai Valley Road, Renwick, Marlborough 64 3 572 8200	www.grovemill.co.nz Acquired NZ Wine Company 2012; 2013 season 5,698 t grapes processed
Indevin Ltd	Duncan McFarlane Managing Director	Contract wine making services Wineries in Hawkes Bay & Marlb; Te Hua, Crux, Leading Light, Ngakuta Bay, The Post, The Prospect brands	3164447 NZ; Private (82% Wallace, 18% others)	2004 / 2010	$15-30m*	64	Cloudy Bay Business, Park State Highway 1, 17-19 Winefair Close, Blenheim 64 3 520 6810	www.indevin.com (JV with Lion 2010,make many of their brands) Process 15% of all grapes in NZ
Just Water	Tony Falkenstein CEO	Water coolers and water distribution to offices and homes; NZ & Au	1440340 NZ; listed (NZX:JWI)	1987	$27.8m	60	114 Rockfield Road, Penrose, Auckland 64 9 630 1300	www.justwater.co.nz

* Estimate based on number of employees and type of business activity; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Kompass, Coriolis estimates

OTHER BEVERAGES FIRM PROFILES

Company	MD/CEO	Business description	Ownership Company #	Formed	Revenue	Staff	Address	Website
Mud House Wine Group	MJ Loza CEO	Winery Waipara Hills, Dusky Sounds, Le Grys and Mud House brands; Incl. NZ Extracts Ltd	1144096 NZ; Public unlisted (19% Marlb Wine Tourism, others)	2001	$38.0m	60	22 Liverpool St Riverlands Estate Blenheim, Marlborough 64 3 520 6011	www.mudhouse.co.nz
Amisfield Wine Company	Craig Erasmus CEO	Winery based in Queenstown Amisfield, Arcadia, Lake Hayes brands	401358 NZ; Private (Richardson, Darby)	1999	$25-30m*	60	10 Lake Hayes Road, RD 1, Queenstown, 64 3 442 0556	www.amisfield.co.nz
Cloudy Bay VIneyards	Ian Morden Estate Director	Winery based in Marlborough Cloud Bay, Pelorus, Dolphin brands	271895 Foreign; France listed	1985	$46.1m	50	Jacksons Road, Blenheim, Marlborough 64 3 520 9140	www.cloudybay.co.nz Purchased Cloudy Bay 1990 Marlborough-based vineyards
Soljans Estate Winery	Tony Soljan Managing Director	Winery based in Auckland, plus café and functions	658205 NZ; Private (Tony Soljan)	1937	$10m*	50	366 State Highway 16, Kumeu, Auckland 64 9 412 5858	www.soljans.co.nz
Morton Estate Wines	John Coney CEO	Winery operations in Hawkes Bay and Marlborough; <ortpn estate, cathedral cove, Colefield, Kinross, Mill Road, Nikau Point, Southern Cross etc,. brands	668538 Private; Canada (Coney)	1982 / 1995	$30-40m*	50	Morton House, 2 Mountain Road Epsom, Auckland 64 9 300 5053	www.mortonestatewines.co.nz
Mills Reef Winery	Nick Aleksich General Manager	Wine makers; Mills reef, reef reserve, Prestons brands	26464 NZ; Private (Preston Family, others)	1965	$12-15m	50	143 Moffat Road, Bethlehem, Tauranga 64 7 576 8800	www.millsreef.co.nz
BevPac New Zealand	Graham Lundie Managing Director	Carbonated beverage manufacturers and contract packers; Jolly brand, house brands	803057 NZ; Private (Lundie, Simth, Mazur, Borich)	1996	$15-20m	50	76 Lady Ruby Drive East Tamaki, Auckland 64 9 914 7180	www.petbottles.co.nz TSL plastics
Juice Products NZ Ltd	Peter Stewart General Manager	Fruit and vegetable juices, concentrates, purees, blends	1207153 NZ; Private (Honiss, Walker, Iversen others)	2002	$7-12m	45	55 Sheffield Street Timaru 64 3 687 4170	www.jp-nz.com Marketed by RD2 International

* Estimate based on number of employees and type of business activity; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Kompass, Coriolis estimates

OTHER BEVERAGES FIRM PROFILES

Company	MD/CEO	Business description	Ownership Company #	Formed	Revenue	Staff	Address	Website
Mission Estate Winery	Peter Holley CEO	Winery	960152 NZ; Private (Marist Holdings)	1851	$10-12m*	40	198 Church Road, Taradale, Napier 64 6 845 9350	www.missionestate.co.nz
Tasman Bay Food	Brian Hirst Managing Director	Food and beverage (Fruit wine, ciders, juices) manufacturers and wholesalers	268656 NZ; Private (Hirst, others)	1985	$15-20m*	40	61 Factory Road Brightwater, Tasman 64 3 543 5340	www.futurefoods.co.nz www.tasmanbay.co.nz
Gibbston Valley	Ashling Swirtz General Manager	Winery, restaurant, wine tours based in Queenstown	449621 USA; Private (Griffith, Pike)	1987 / 1990	$5-10m*	40	1820 State Highway 6, RD 1, Gibbston, Queenstown	www.gibbstonvalleynz.com
Sacred Hill Vineyards	David Mason Managing Director	Three wineries; Sacred Hill, Wild South, Gunn Estate brands	961615 Mixed: Private NZ; (65% Mason family) HK (30% Jebson Beverage)	1986/ 1999	$35-40m*	35	James Rochfort Place, RD 5, Hastings 64 6 879 8760	www.sacredhill.com 36% export
Seifried Estate	Hermann Seifried Director	Winery ; Aotea, Old Coach Road, Rabbit Island, Redwood Valley, Seifried, Tapu Bay, Venture cove, Winemakers Collection brands	918475 NZ; Private (Seifriedn Family)	1970	$12-15m*	35	Redwood Road Appleby, Nelson 64 3 544 5599	www.seifried.co.nz
Palliser Estate	Richard Riddiford Managing Director	Winery	387777 NZ; Private (Riddiford, Morrison, others)	1988	$4.3m (FY13)	30	Kitchener Street, Martinborough 64 6 306 9019	www.palliser.co.nz
Giesen Wine Estate	Marcel Giesen Director	Wine makers Canterbury; Giesen, Voyage brands	257877 / 1004906 NZ; Private (Giesen Family)	1983	$40-50m*	30	272 Main South Road Hornby, Christchurch 64 3 344 6270	www.giesen.co.nz
Pegasus Bay Winery	Ivan Donaldson Owner	Winery and restaurant in Canterbury	977771 NZ; Private (Donaldson family)	1985 / 1999	$12-15m*	30	Stockgrove Road, RD 2 Amberley, North Canterbury 64 3 314 6869	www.pegasusbay.com
Babich Wines Ltd	Joe Babich Managing Director	Winery; Babich, Iron Gate, The Patriarch, Fume Vert brands	57990 NZ; Private (Babich Family)	1916 / 1959	$30-40m*	30	Babich Road, Henderson Valley, Auckland 64 9 833 7859	www.babichwines.co.nz Export 57%

* Estimate based on number of employees and type of business activity; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Kompass, Coriolis estimates

OTHER BEVERAGES FIRM PROFILES

Company	MD/CEO	Business description	Ownership Company #	Formed	Revenue	Staff	Address	Website
Coopers Creek Vineyard	Andrew Hendry Managing Director	Vineyard and cafe	93470 NZ; Private (Hendry, Smith others)	1975	$12-15m*	26	601 State Highway 16, Huapai, Auckland 64 9 412 8560	www.cooperscreek.co.nz
Saint Clair Family Estate	Neal Ibbotson Director	Winery; St Clair, Doctors Creek, Tuatara Bay brands	1017340 NZ; Private (Ibbotson family, others)	2000	$40-45m*	25	30-32 Liverpool Street, Riverlands Estate, Blenheim 64 3 578 8695	www.saintclair.co.nz
Allan Scott Wines & Estates	Allan Scott Director	Winery; Allan Scott, Moa ridge, Scott base brands	608289 NZ; Private (Scott)	1993	$15-20m*	25	Jacksons Road, RD 3 Blenheim 64 3 572 9054	www.allanscott.com
VnC Cocktails Ltd	Shane McKillen Director	Manufacture and export of ready-to-serve mixed cocktails; 90% exported	1974727 NZ; Private (36% McKillen; 27% Cook, oth)	2007	$5-10m*	25	Level 2 Imperial Building, 44 Queen Street, Auckland 64 9 915 0015	www.vnccocktails.com
Mount Riley Wines	John Buchanan Managing Director	Wine makers in Blenheim	869998 NZ; Private (John Buchanan)	1997	$15-20m*	20	101 Wairau Road, Glenfield, Auckland 64 9 444 1955	www.mountriley.co.nz
New Zealand Quality Waters	Ian Riley Managing Director	Producers and exporters of mineral water; export 50%	1886777 Mixed; Private (Riley 58%, NzO Interntl H.K 42%)	1990	$5-10m*	20	83 Domain Road Putaruru 64 7 883 8499	www.nzqw.co.nz
Moa Brewing Company	Gareth Hughes General Manager	Listed craft beer brewer based in Blenheim	1528394 NZ; Public (PE Pioneer 25%, others)	2003	$2.45m	19	Level 1 Union Fish Co. Building, 116-118 Quay Street, Auckland 64 9 367 9472	www.moabeer.co.nz
McCashins Brewery	Andrew Murray General Manager	Brewers of beer, cider, water, spirits manufacturer; Stoke, Rochdale, 26000Vodka, Frute, Palaeo Water brands	2223762 NZ; Private (McCashin & others)	2006	$10-15m*	18	660 Main Road, Stoke, Nelson 64 3 547 5357	www.mccashins.co.nz
Kono NZ	Don Everitt CEO	Producers of wine brands under the Tohu and Kono brands	3438072 Private/Iwi (Wakatu)	1977	$16m (12) (Gp $70m)	16	Level 2, Wakatū House Montgomery Square, Nelson 64 3 578 2069	wakatu.org.nz
Hunter's Wines (NZ) Ltd	Jane Hunter Managing Director	Winery and restaurant; Hunters and Spring Creek brands; export 45%	140641 NZ; Private (Hunter)	1979	$7-10m	15	603 Rapaura Road Blenheim 64 3 572 8489	www.hunters.co.nz

* Estimate based on number of employees and type of business activity; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Kompass, Coriolis estimates

OTHER BEVERAGES FIRM PROFILES

	Company	MD/CEO	Business description	Ownership Company #	Formed	Revenue	Staff	Address	Website
	Redwood Cider Co	Justin Hall Managing Director	Cider manufacturer Old Mout Cider, Monteith's cider brands, Rekorderlig (License)	1774339 DB 92%	1985 / 2006	$5-10m*	15	523 Moutere Highway, RD 1, Richmond, Nelson 64 3 544 2706	www.redwoodcider.co.nz
	Bacardi NZ	Clare Bradley NZ Marketing (Lion)	Vodka spirits manufacturer 42 below; acquired by Bacardi	1057818 Foreign: Netherlands; Private (Bacardi family)	2000	$10.8 ("10)	N/A	Lion Nathan sales	www.42below.com; www.bacardi.com Formerly listed in NZ; acquired Sales and marketing by Lion

Other Wineries: Kumeu River, Mt Difficulty, Lawsons Dry Hills, Whitehaven, Trinity Hill, Dog Point, Forrest Estate, Akarua, Peregrine, Mahurangi River, Waimea Estate, Nautilus, Framingham Wines, Carrick, Murdoch James, Ransom, Anchorage Wines, CJ Pask Winery, Clearview Estate, Waipara Springs Winery and Restaurant, Moana Park Winery, Kahurangi Estate, Matahiwi Estate, Ata Rangi Vineyards, Bulmer Harvest, No. 1 Family estate, Karikari Estate, Konrad Wines, Spencer Hills estate, Blackridge Vineyard, Chard Farm, Highfield Estate, The Milton, Rippon Vienyard, Marsden Estate, West Brook Winery, Brookfields Vineyards, Churton, Destiny Bay, Wild Earth, Lincoln Wines, Richmond Plains, Martinborough Vineyard, Alana Estate, Mt Rosa, Ohinemuri, Kaimira, Fossil; Ridge, Julicher, Opihi, Pleasant Valley Wines Three Miners, Auntsfield Estate, Ohau Gravel, Urlar estate, Maven Wines, Fromm winery, Two Paddocks, Rockburn, Okahu Estate, Huia Vineyards, Borthwick, Rimu Grove, Schubert Wines… *and many others*

* Estimate based on number of employees and type of business activity; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Kompass, Coriolis estimates

MARKETS

Beverages

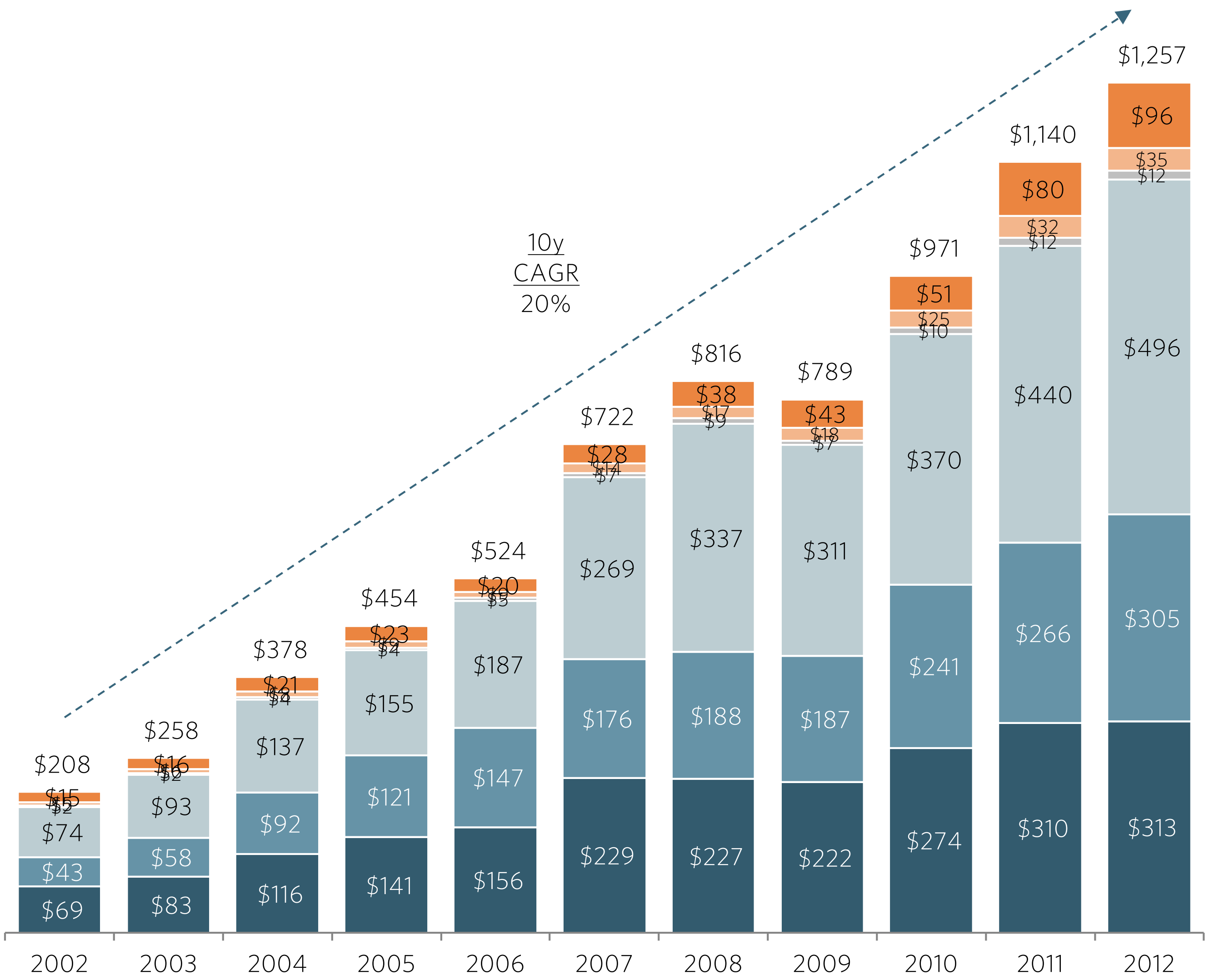
iFAB 2013

BEVERAGES – EXPORTS BY REGION

Over the past decade New Zealand beverages exports have achieved strong growth driven primarily by developed Western countries

10 YEAR NEW ZEALAND BEVERAGES EXPORT VALUE BY SUPER-REGION

US$m; 2002-2012



	10 Year CAGR	10 Year Absolute
TOTAL	20%	+$1,049m
E Asia	21%	+$81m
SE Asia	21%	+$30m
Other	18%	+$10m
Australia/ Pacific Is.	21%	+$422m
N. America	22%	+$262m
Europe	16%	+$244m

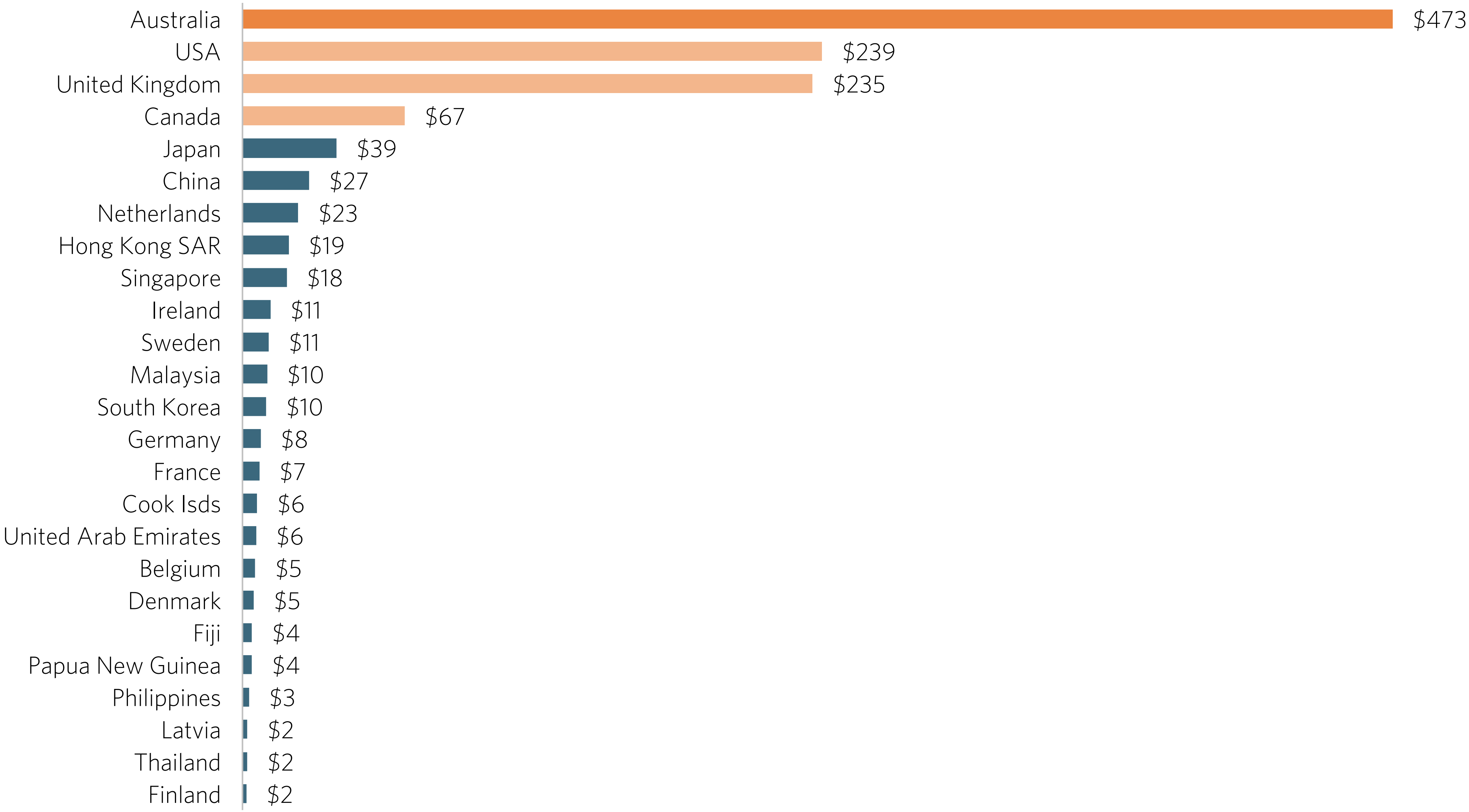
Source: UN Comtrade database; Coriolis analysis

EXPORT DOLLARS

Australia, the USA, the UK and Canada ("the Anglo-Saxon four") remain the largest markets by value for New Zealand's beverages exports

TOP 25 BEVERAGES MARKETS BY EXPORT VALUE

US$m; 2012



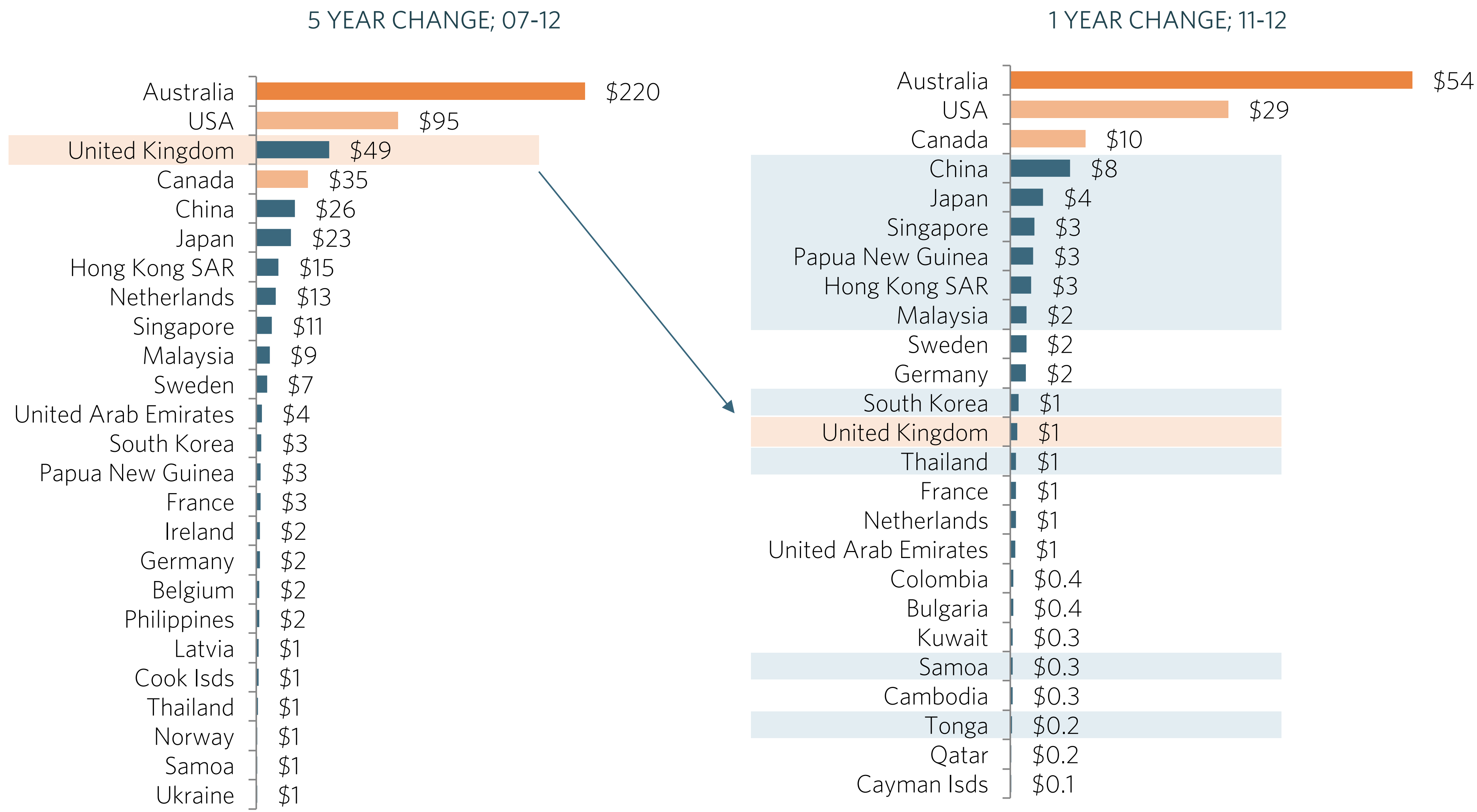
Source: UN Comtrade database; Coriolis analysis

EXPORT DOLLAR GROWTH

Australia, the US & Canada led export dollar value growth, but strong growth coming from a wide range of Asia-Pacific countries; UK growth is slowing

TOP 25 BEVERAGES MARKETS BY CHANGE IN EXPORT VALUE

US$m



Source: UN Comtrade database; Coriolis analysis

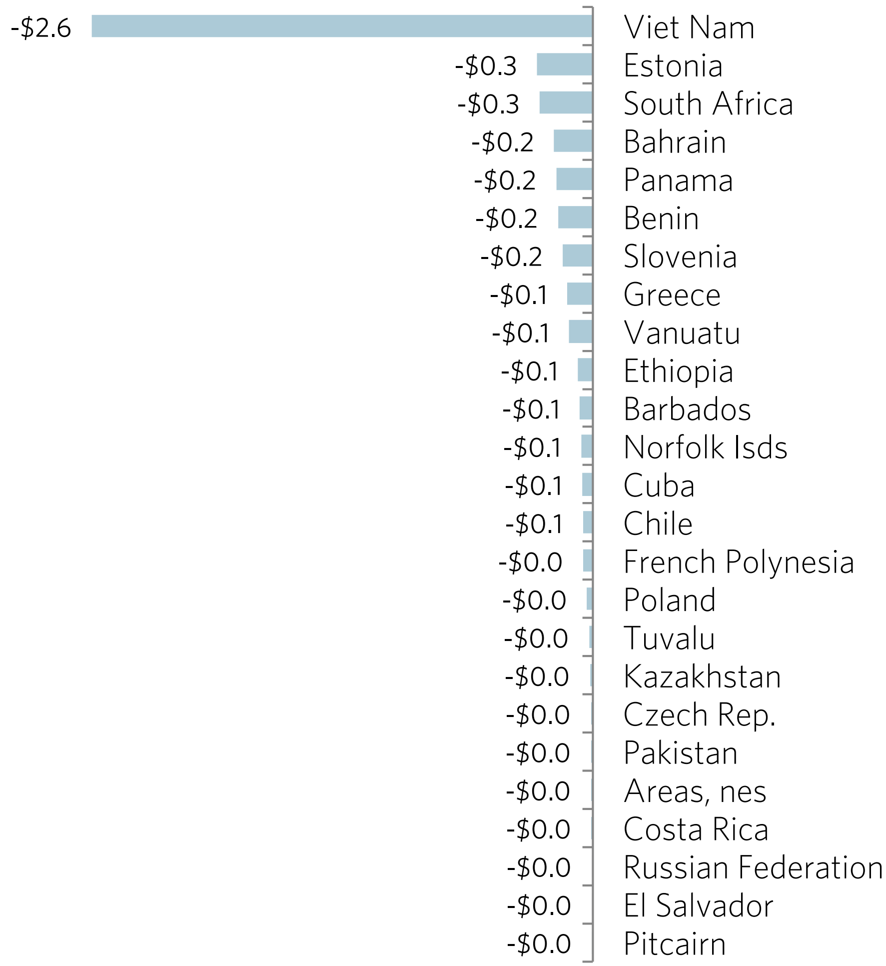
EXPORT DOLLAR DECLINE

Vietnam led declining markets by value; signs European situation deteriorating in some secondary markets

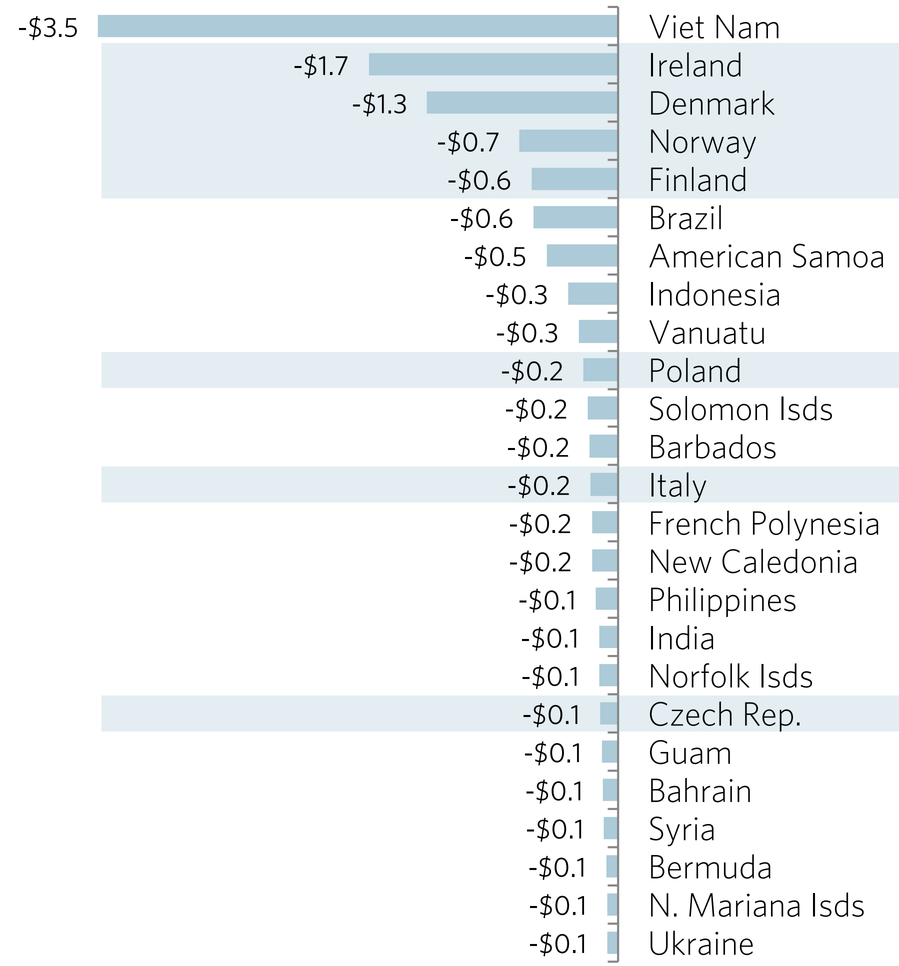
BOTTOM 25 BEVERAGES MARKETS BY CHANGE IN EXPORT VALUE

US$m

5 YEAR CHANGE; 07-12



1 YEAR CHANGE; 11-12



Source: UN Comtrade database; Coriolis analysis

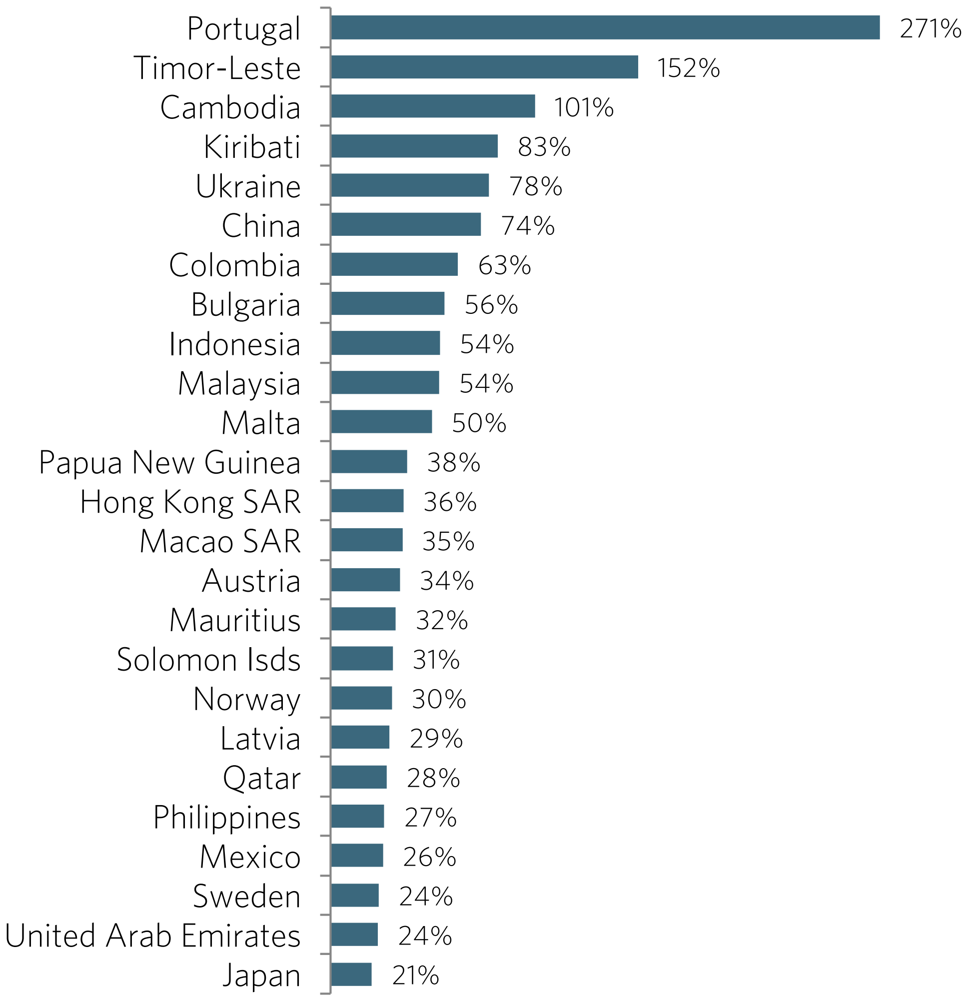
PERCENT GROWTH

Strong growth rates coming out of a wide range of smaller markets, particularly across Asia-Pacific region

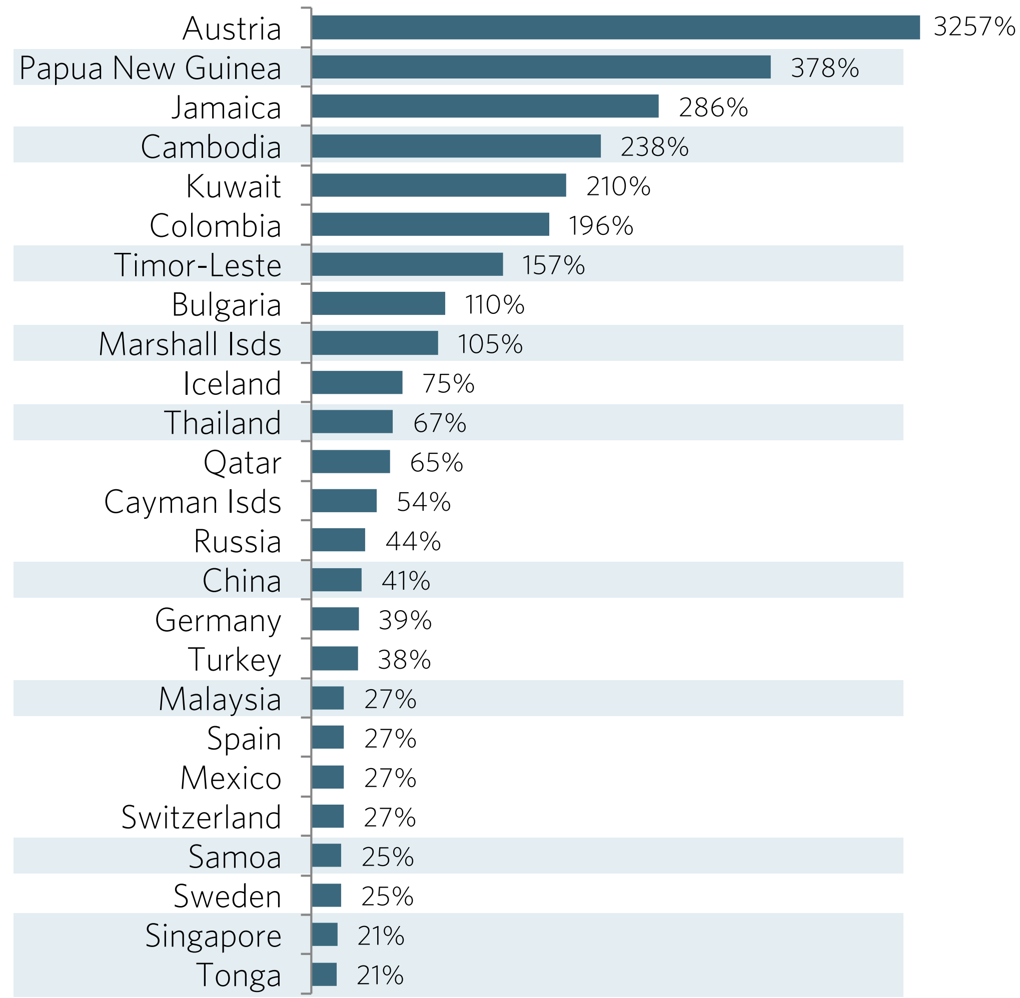
TOP 25 BEVERAGES MARKETS BY CAGR PERCENT CHANGE IN EXPORT VALUE

US$m; %

5 YEAR CAGR; 07-12



1 YEAR CHANGE; 11-12



Source: UN Comtrade database; Coriolis analysis

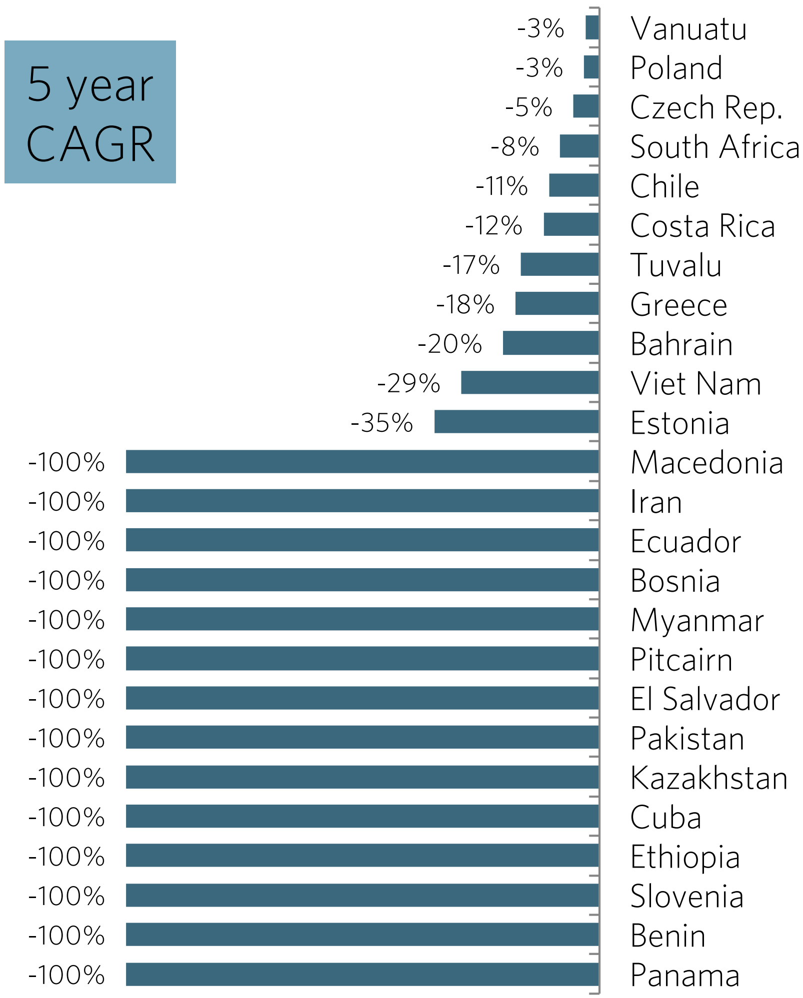
PERCENT DECLINE

In terms of rate of decline, unstable and tertiary markets predominate

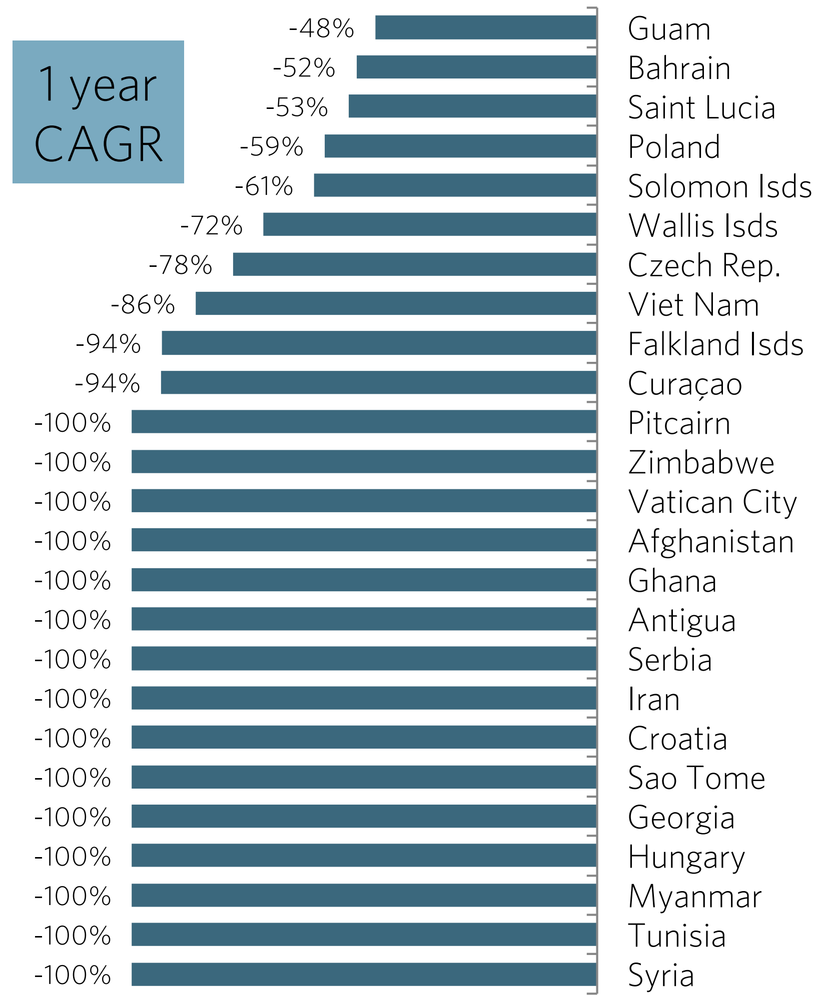
BOTTOM 25 BEVERAGES MARKETS BY CAGR PERCENT CHANGE IN EXPORT VALUE

US$m

5 YEAR CAGR; 07-12



1 YEAR CHANGE; 11-12



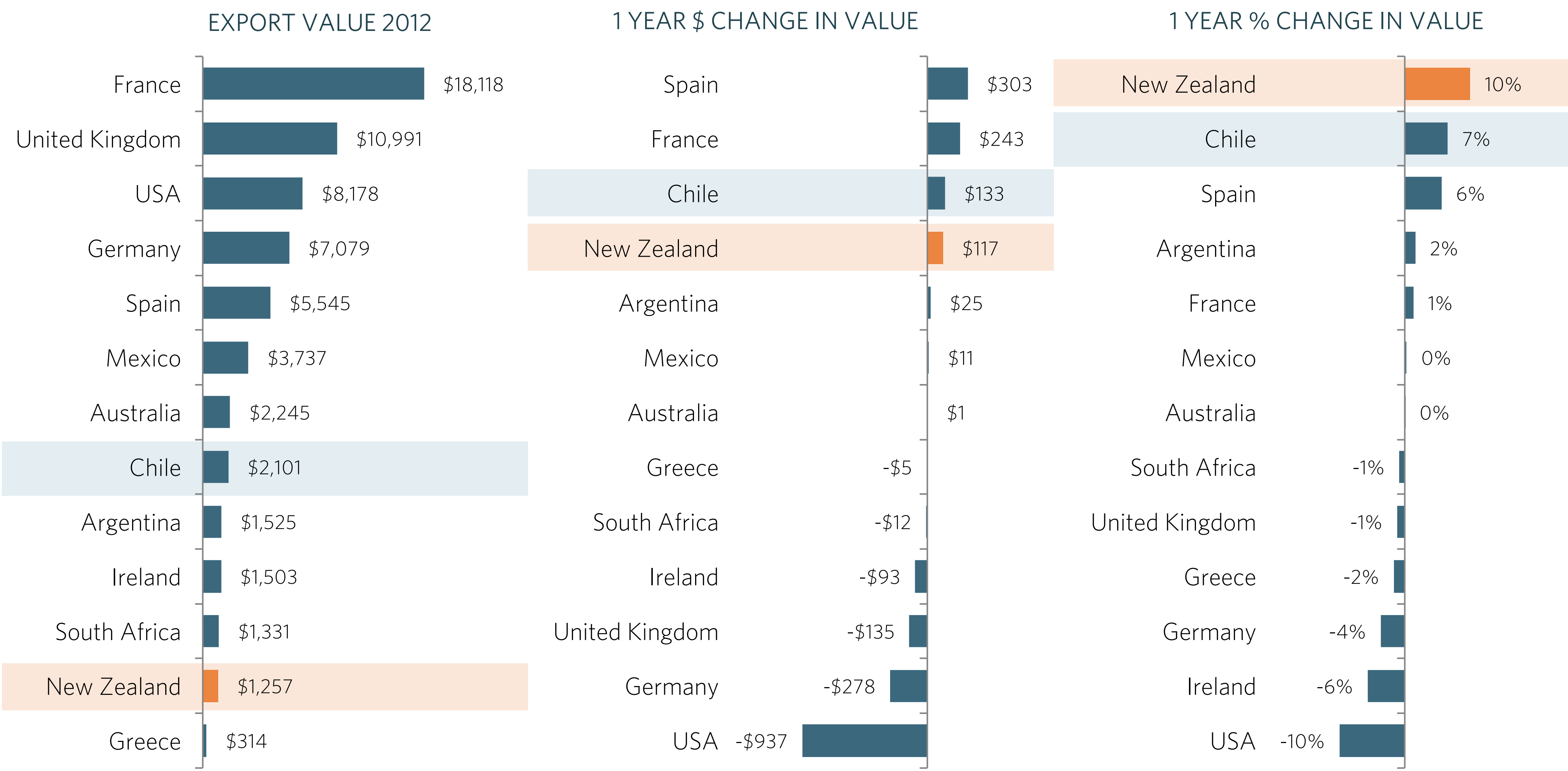
Source: UN Comtrade database; Coriolis analysis

BENCHMARK – EXPORT GROWTH VS. COMPETITORS

New Zealand delivered a good growth performance relative to key competitors; Chile appears to be the "one-to-watch" currently

TOTAL BEVERAGES EXPORT VALUE IN 2012: NZ VS. COMPETITORS

US$m; 2012; 2012 vs. 2011



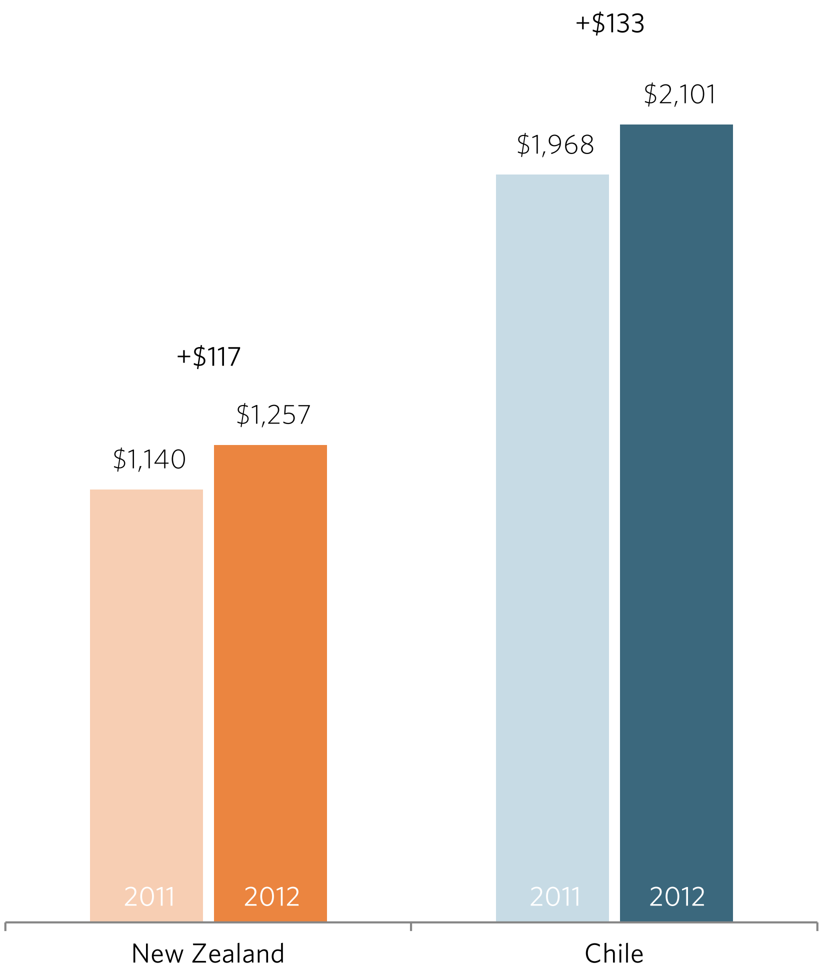
Source: UN Comtrade database; Coriolis analysis

FOCUS – NZ VS. CHILE

Chile is achieving strong growth in beverage export to four countries, three of which are Top 6 New Zealand markets

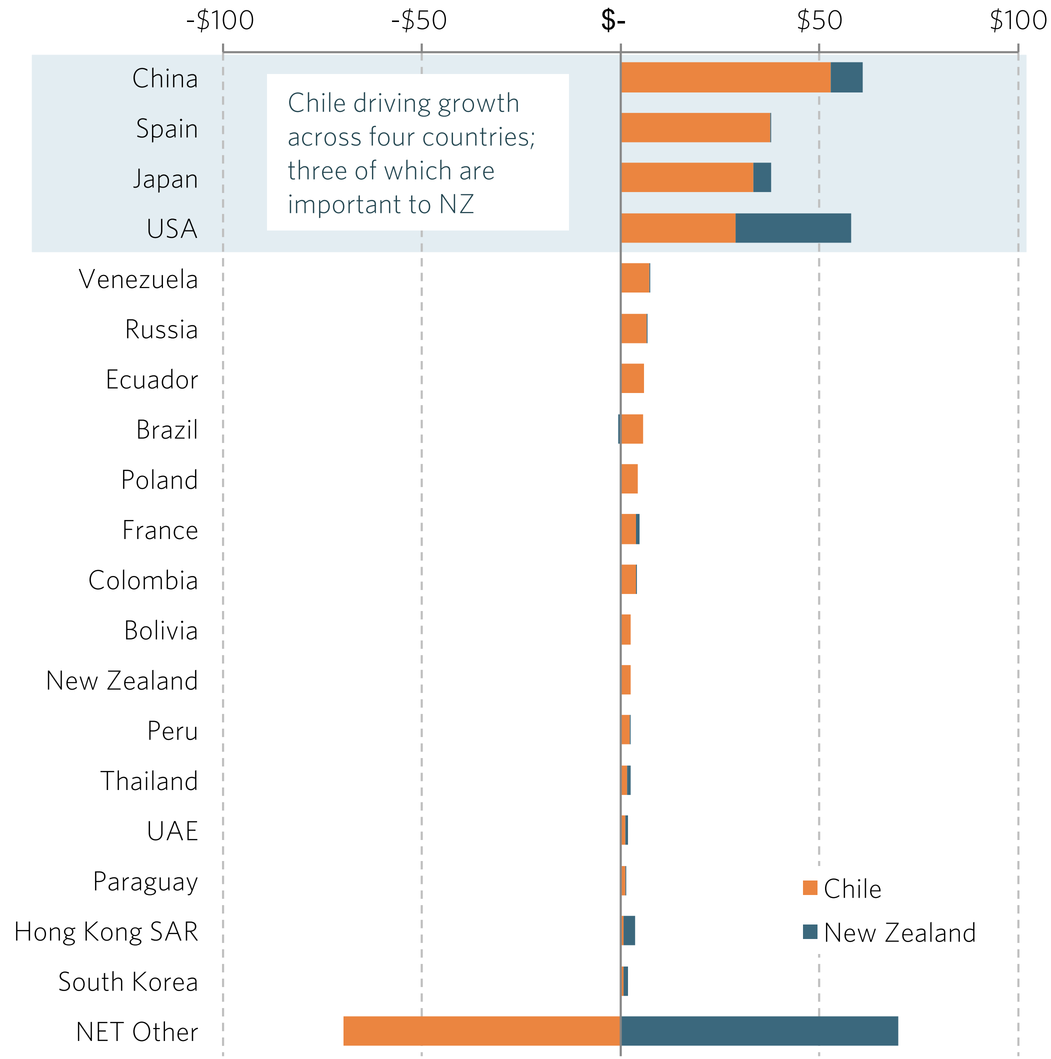
BEVERAGES EXPORT VALUE: NZ VS. CHILE

US$m; 2011-2012



TOP 15 CHILE BEVERAGES EXPORT MARKETS BY 1Y VALUE GROWTH VS. NZ

US$m; 2012 vs. 2011



Source: UN Comtrade database; Coriolis analysis

PRODUCTS

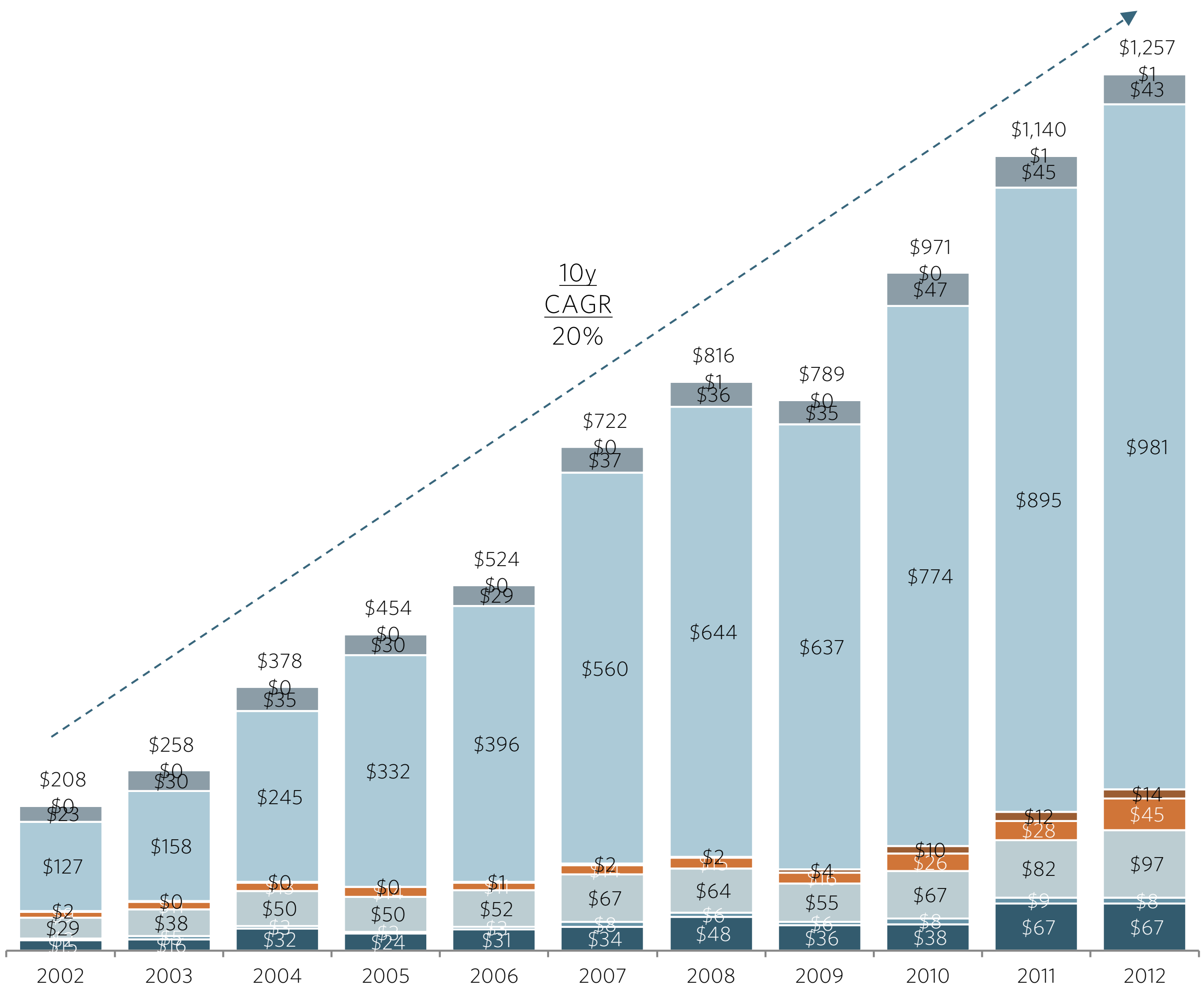
Beverages

BEVERAGES – EXPORTS BY TYPE

New Zealand beverages exports have achieved very strong growth in the past decade

10 YEAR NEW ZEALAND BEVERAGES EXPORT BY CATEGORY/SUPER-CATEGORY (HS4/6 LEVEL)

US$m; 2002-2012



	10 Year CAGR	10 Year Absolute
TOTAL	20%	+$1,049m
Vinegar	20%	+$1m
Spirits	6%	+$20m
Wine	23%	+$854m
Cider	23%	+$12m
Beer	18%	+$36m
Soft drinks	13%	+$68m
Water	13%	+$6m
Juice	16%	+$52m

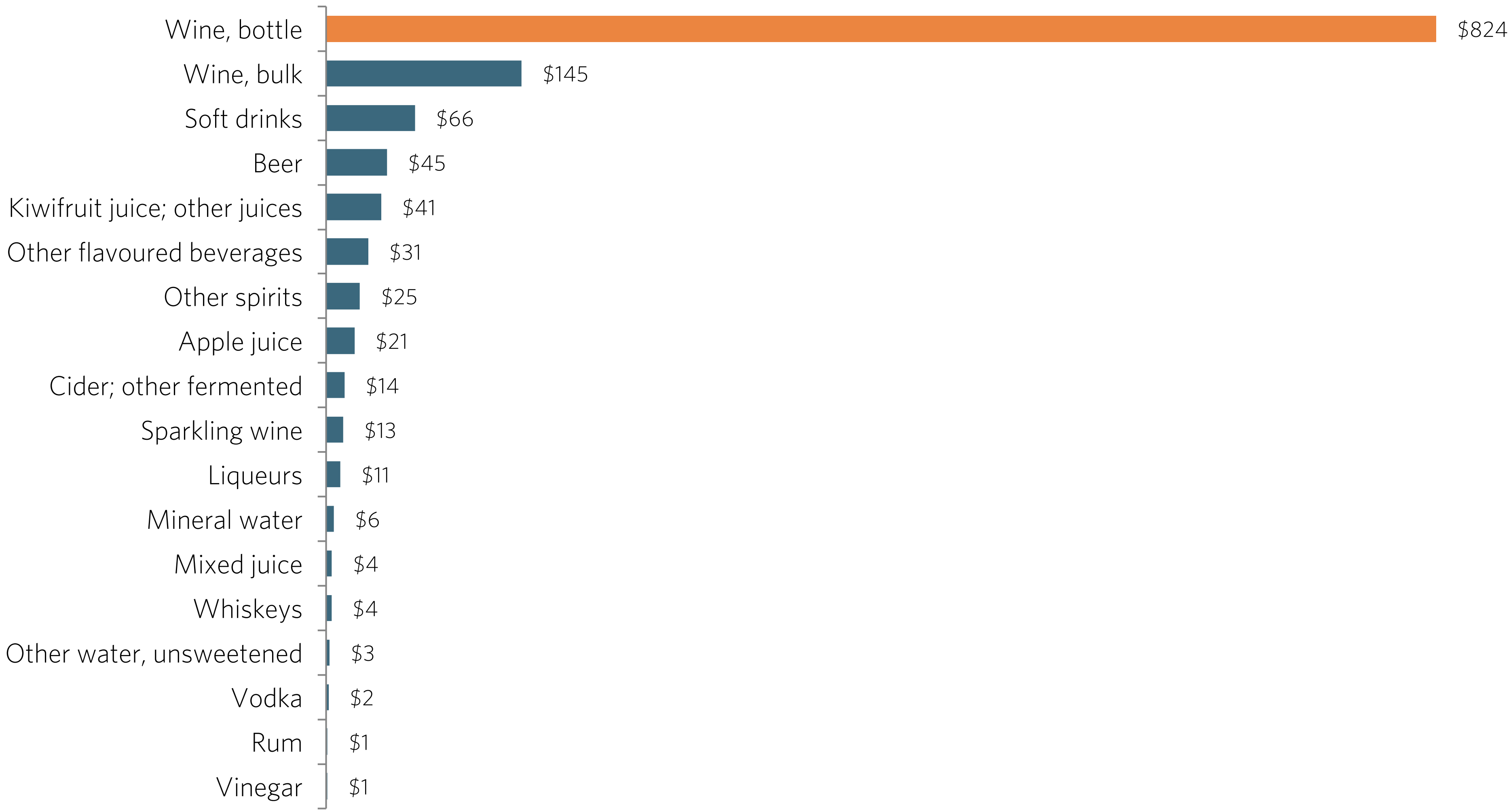
Source: UN Comtrade database; Coriolis analysis

EXPORT DOLLARS

Bottled wine continues to be New Zealand's largest beverage export

EXPORT VALUE OF TOP 18 BEVERAGES PRODUCTS (HS6 LEVEL) EXPORTS IN 2012

US$m; 2012



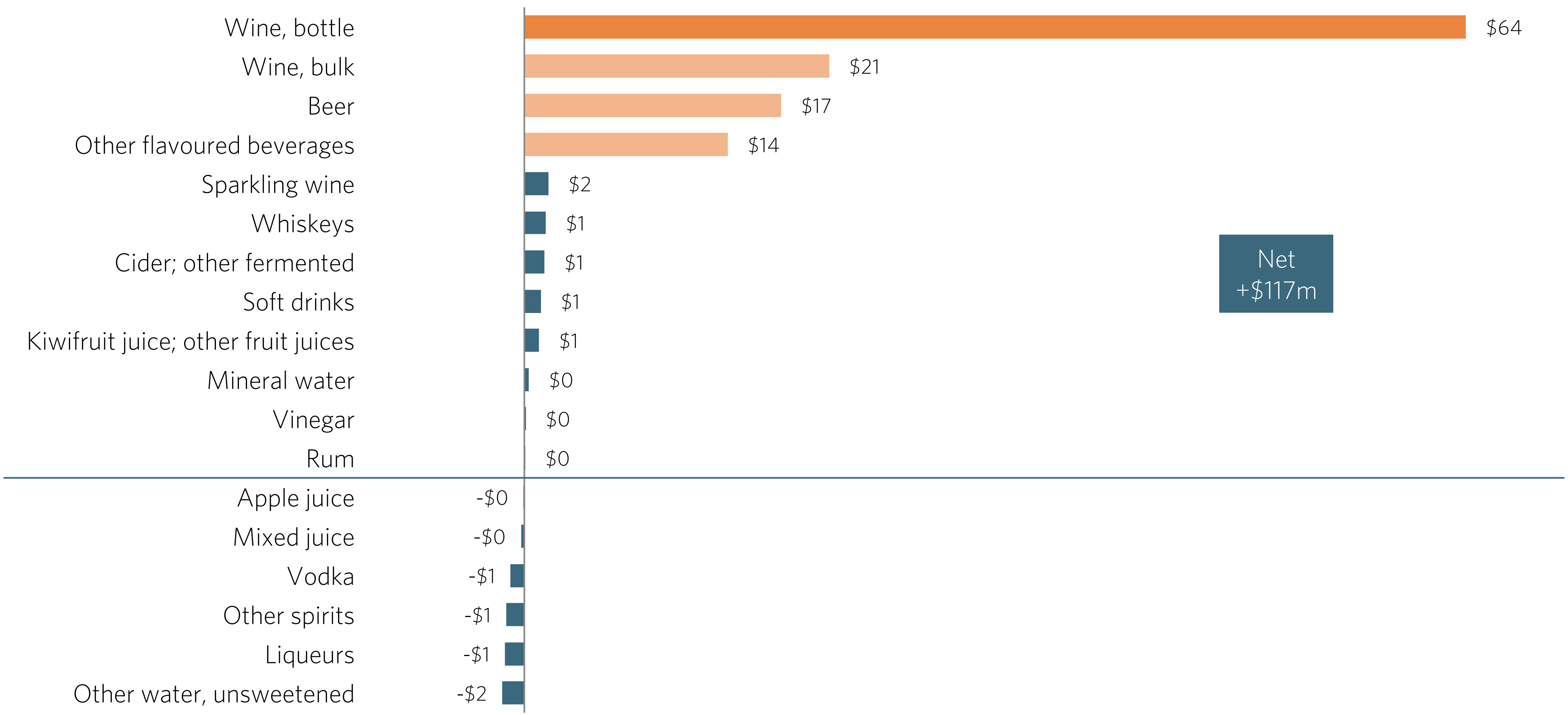
Source: UN Comtrade database; Coriolis analysis

EXPORT DOLLAR GROWTH

In 2012, wine, beer and "other flavoured beverages" drove export value growth while water and some spirits struggled

ANNUAL CHANGE IN EXPORT VALUE OF TOP 18 BEVERAGES EXPORTS

US$m; 2012 vs. 2011

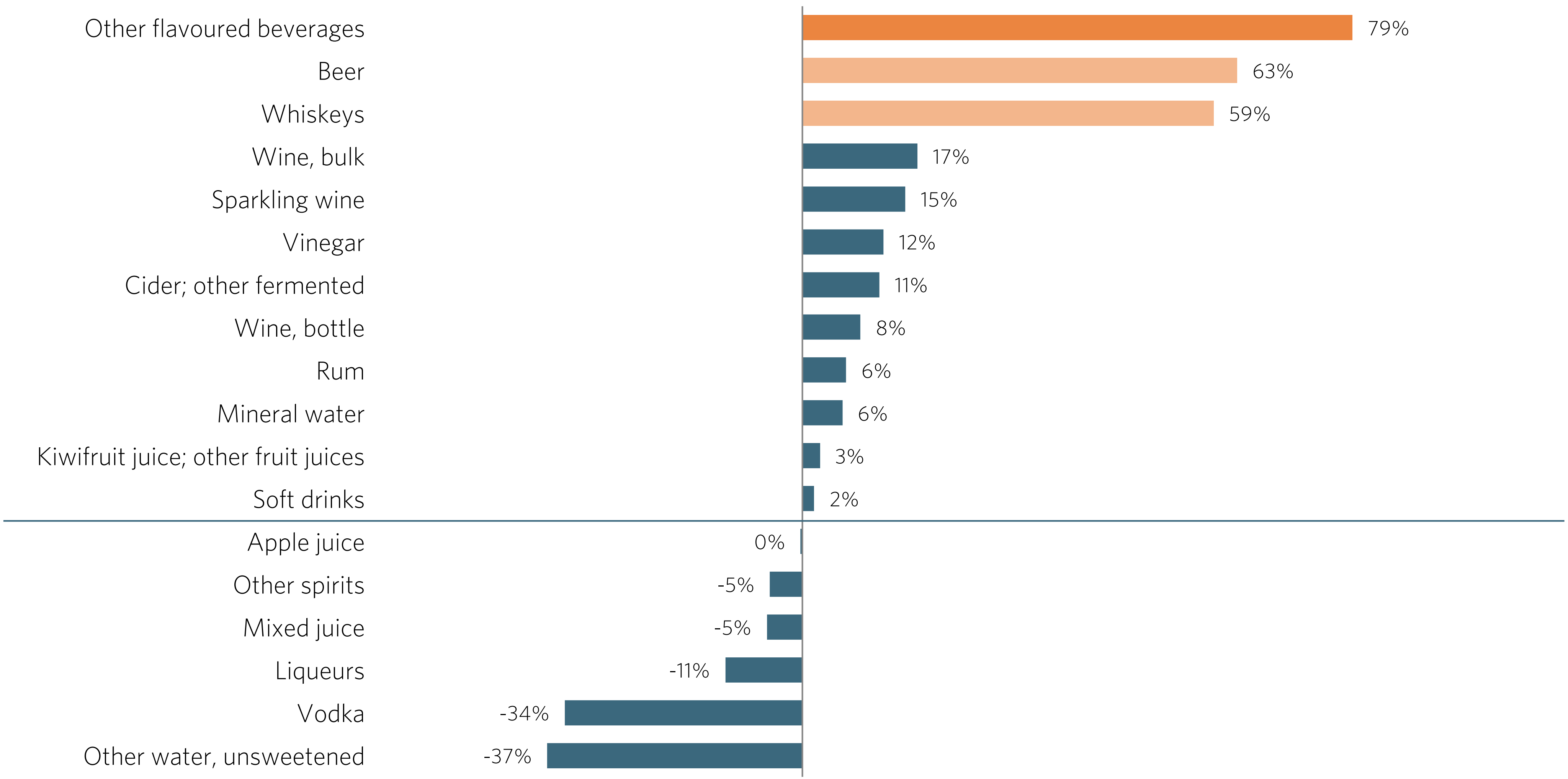


Source: UN Comtrade database; Coriolis analysis

In 2012, other flavoured beverages, beer and whiskey grew at the fastest rate; other water and vodka experienced strong declines

ANNUAL PERCENT GROWTH IN TOP 18 BEVERAGES EXPORTS

US$m; 2012 vs. 2011



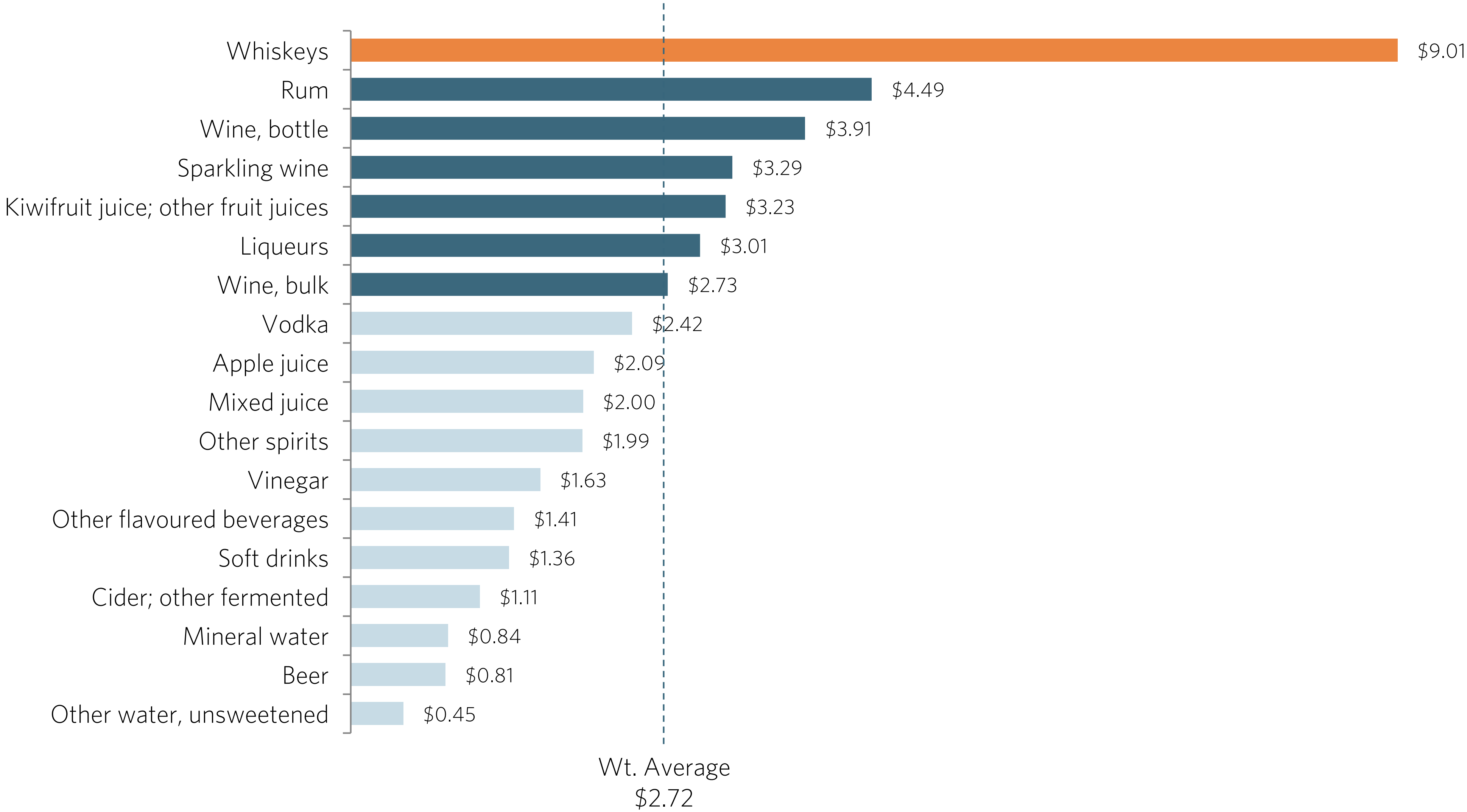
Source: UN Comtrade database; Coriolis analysis

$/LITRE

In 2012 whiskey led in terms of export dollars per litre

VALUE PER LITRE OF TOP 18 BEVERAGES EXPORTS

US$/litre; 2012



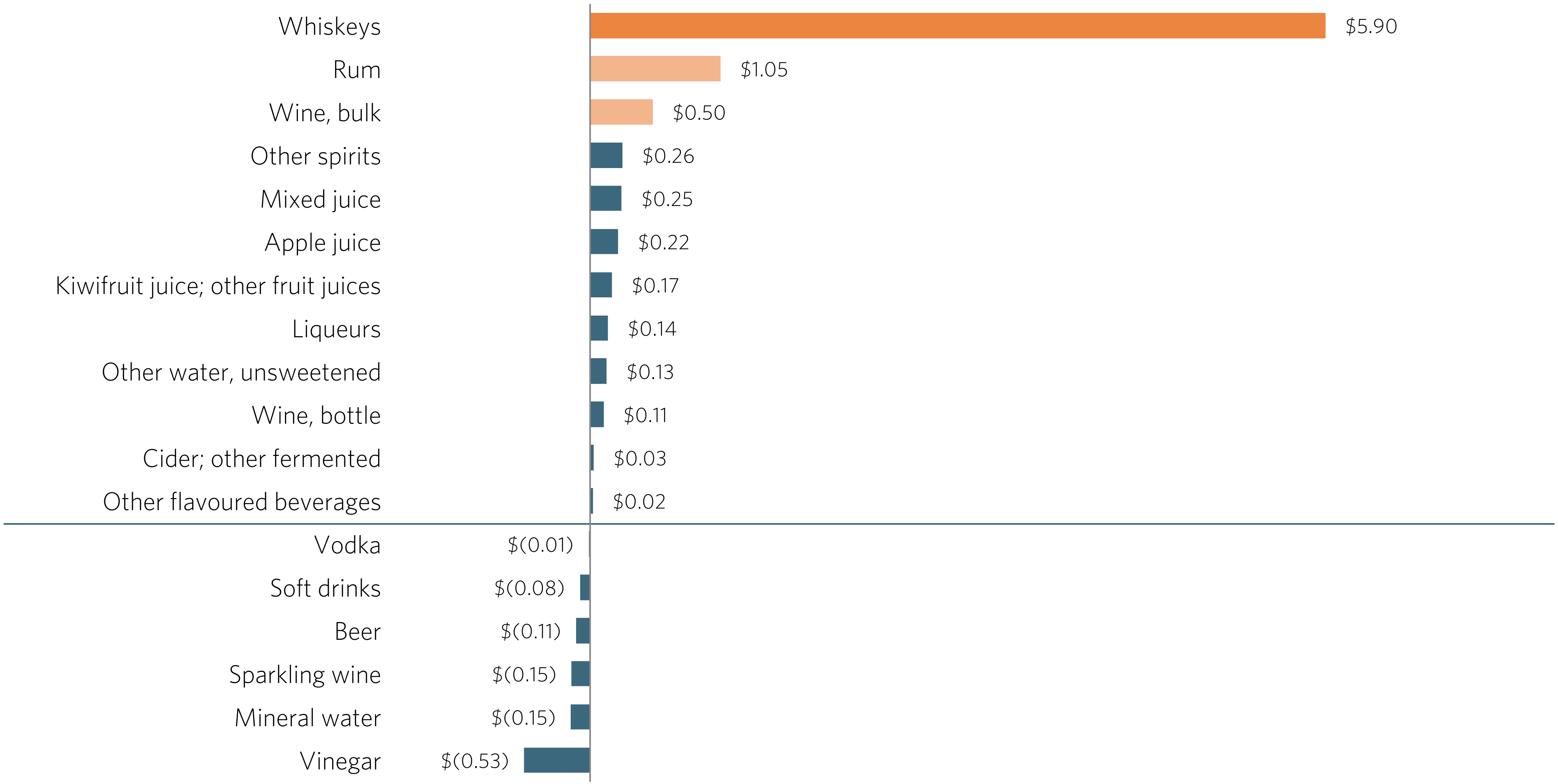
Source: UN Comtrade database; Coriolis analysis

$/L CHANGE

In 2012 whiskey, rum and bulk wine achieved good price increases, while vinegar prices were down strongly

ANNUAL CHANGE IN VALUE PER LITRE OF TOP 18 BEVERAGES EXPORTS

US$/litre; 2012 vs. 2011



Source: UN Comtrade database; Coriolis analysis

APPENDIX

Beverages

BEVERAGES – INDUSTRY SCIENTIFIC RESEARCH

A number of research institutes are researching in the wine sector

KEY SCIENTIFIC RESEARCH ORGANISATIONS INVOLVED IN BEVERAGE INDUSTRY RESEARCH IN NEW ZEALAND

(2013)

	Focus & activities	
MARLBOROUGH WINE RESEARCH CENTRE	- Aroma studies- geological etc. effects on Sauvignon Blanc aroma - $12m FRST funding of sauvignon blanc (with Plant and Food), Auckland and Lincoln Universities) - Conjunction with Nelson Marlborough Institute of Technology	www.wineresearch.org.nz
THE UNIVERSITY OF AUCKLAND Wine Research Institute (Dept. of Chemistry – (Wine Science Programme)	- Chemistry research into high acid, co-ferments, yeasts, polyphenol analyses - Pinot Noir research into aroma colour, polyphenols, soil profiles (Funding from liquorland and - Sauvignon blanc programme researching aroma compounds (FRST funding $1.6m/yr)	http://web.auckland.ac.nz/uoa/science/about/departments/chemistry/about/subjects/winescience/research/furtherwineresearch/furtherwineresearch.cfm
Plant & Food RESEARCH RANGAHAU AHUMĀRA KAI	- Pest and Disease Management - Viticulture production systems - Biological controls - Applied sensors - Viticulture and Wine research (18 staff at Marlborough Research Centre) - Sensory Science - Developing fining agents from	www.plantandfood.co.nz/page/home/landing-pages/wine-industry/
Centre for Viticulture & Oenology A Lincoln University Research Centre New Zealand's specialist land-based university	- Focus on Pinot Noir - Climate and soil effects on vine growth and grape composition - Enhancing nature's ecosystem services in vineyards - Enhancing innovation and adoption of new technologies in the grape wine sector - Sensory evaluation and psychological aspects of flavour perception	www.lincoln.ac.nz/Research-at-Lincoln/Research-centres/Centre-for-Viticulture-and-Oenology/
nmit Nelson Marlborough Institute of Technology Te Whare Wānanga o Te Tau Ihu o Te Waka a Maui	- Viticulture and Wine courses - Situated within the Marlborough Wine Research Centre	http://www.nmit.ac.nz/courses/areaofstudy/mid/12245/a/25/viticulture-wine.aspx
Ministry for Primary Industries Manatū Ahu Matua	- Sustainable farming fund - others	http://www.mpi.govt.nz/

Source: Company websites; annual reports; Coriolis

BEVERAGE – INDUSTRY ORGANISATIONS

There are four key industry organisations representing the New Zealand beverage industry

KEY INDUSTRY ORGANISATIONS INVOLVED IN BEVERAGE INDUSTRY RESEARCH IN NEW ZEALAND
(2013)

	Details	Website
NEW ZEALAND WINE PURE DISCOVERY	- Funded through: a levy on the sale of grapes collected by the Grape Growers Council under the Commodity Levies Act 1991; - a levy on the sale of wine collected by the Wine Institute under the Wine Act 2003; - User pays activities and sponsorships	www.nzwine.com
DSANZ / DISTILLED SPIRITS ASSOCIATION OF NEW ZEALAND	- Represent views of producers and marketers of premium spirits and liqueurs	www.distillers.co.nz
NZJBA NEW ZEALAND JUICE & BEVERAGE ASSOCIATION www.nzjba.org.nz	- Represent views of producers and marketers of juices and non-alcoholic beverages	www.nzjba.org.nz
BREWERS GUILD OF NEW ZEALAND	- Represents all of the breweries in New Zealand	brewersguild.org.nz
BREWERS ASSOCIATION / Brewers Association of Australia & New Zealand Inc	- Trans-Tasman association that represents the major producers in both markets on government and regulatory matters.	http://www.brewers.org.au

Source: Company websites; annual reports; Coriolis

METHODOLOGY & DATA SOURCES

Data was from a variety of sources, and has a number of identified limitations

This report uses a range of information sources, both qualitative and quantitative.

The numbers in this report come from multiple sources. While we believe the data are directionally correct, we recognise the limitations in what information is available. In many cases different data sources disagree (e.g. Statistics New Zealand vs. FAO vs. UN Comtrade). Many data sources themselves incorporate estimates of industry experts (e.g. FAO AgStat). As one example, in many cases, the value and/or volume recorded as exported by one country does not match the amount recorded as being received as imports by the counterparty [for understood reasons]. In addition, in some places, we have made our own clearly noted estimates.

All trade data analysed in all sections of the F&B Information project are calculated and displayed in US$. This is done for a range of reasons:

1. It is the currency most used in international trade
2. It allows for cross country comparisons (e.g. vs. Denmark)
3. It removes the impact of NZD exchange rate variability
4. It is more comprehensible to non-NZ audiences (e.g. foreign investors)
5. It is the currency in which the United Nations collects and tabulates global trade data

The opinions expressed in this report represent those of the industry participants interviewed and the authors. These do not necessarily represent those of Coriolis Limited or the New Zealand Government.

Coriolis has not been asked to independently verify or audit the information or material provided to it by or on behalf of the Client or any of the data sources used in the project. The information contained in the report and any commentary has been compiled from information and material supplied by third party sources and publicly available information which may (in part) be inaccurate or incomplete. Coriolis makes no representation, warranty or guarantee, whether express or implied, as to the quality, accuracy, reliability, currency or completeness of the information provided in the report.

If you have any questions about the methodology, sources or accuracy of any part of this report, please contact project lead Tim Morris at Coriolis, on +64 9 623 1848

TRADE CODES

Project defines the following trade codes as beverages

GLOBAL HARMONISED SYSTEM (HS) TRADE CODES DEFINED AS BEVERAGES

HS2002

HS Code	Short Description	Longer official description
200911	Frozen orange juice	Frozen orange juice, unfermented, not containin
200912	Orange juice not-frozen unsweet	Orange juice, not frozen, of a Brix value not >20, unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200919	Orange juice not-frozen sweet	Unfrozen orange juice, unfermented, not contain
200921	Grapefruit juice	Grapefruit juice, of a Brix value not >20, unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200929	Grapefruit juice	Grapefruit juice (excl. of 2009.21), unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200931	Other citrus	Juice of any single citrus fruit other than orange/grapefruit, of a Brix value not >20, unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweet
200939	Other citrus	Juice of any single citrus fruit other than orange/grapefruit (excl. of 2009.31), unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweet
200941	Pineapple juice	Pineapple juice, of a Brix value not >20, unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200949	Pineapple juice	Pineapple juice (excl. of 2009.41), unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200950	Tomato juice	Tomato juice, unfermented, not containing added
200961	Grape juice	Grape juice, incl. grape must, of a Brix value not >30, unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200969	Grape juice	Grape juice, incl. grape must (excl. of 2009.61), unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200971	Apple juice, unsweetened	Apple juice, of a Brix value not >20, unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200979	Apple juice	Apple juice (excl. of 2009.71), unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
200980	Kiwifruit juice; other fruit juices	Juice of other single fruit, unfermented, not c
200990	Mixed juice	Mixtures of juices, unfermented, not containing
220110	Mineral water	Mineral waters and aerated waters, unsweetened
220190	Other water, unsweetened	Other unsweetened waters; ice and snow
220210	Soft drinks	Waters (incl. mineral and aerated), with added
220290	Other flavoured beverages	Other non-alcoholic beverages, nes
220300	Beer	Beer made from malt
220410	Sparkling wine	Champagne and sparkling wine
220421	Wine, bottle	Wine (not sparkling); grape must with by alcoho
220429	Wine, bulk	Wine (not sparkling); grape must with alcohol i
220430	Grape must	Other grape must, nes
220510	Vermouth	Vermouth and other wine of fresh grapes, flavou
220590	Vermouth	Vermouth and other wine of fresh grapes, flavou
220600	Cider; other fermented	Other fermented beverages (for example, cider,
220710	Ethyl alcohol 80%	Undenatured ethyl alcohol, of alcoholic strengt
220720	Ethyl alcohol any strength	Ethyl alcohol and other denatured spirits of an
220820	Distilled grape wine	Spirits from distilled grape wine or marc
220830	Whiskeys	Whiskeys
220840	Rum	Rum and tafia
220850	Gin	Gin and Geneva
220860	Vodka	Vodka
220870	Liqueurs	Liqueurs and cordials
220890	Other spirits	Other spirituous beverages, nes
220900	Vinegar	Vinegar and substitutes for vinegar obtained fr

Source: United Nations codes; Coriolis definitions in conjunction with project steering group

GLOSSARY OF TERMS

This report uses the following acronyms and abbreviations

A$/AUD	Australian dollar
ABS	Absolute change
ANZSIC	AU/NZ Standard Industry Classification
AU	Australia
Australasia	Australia and New Zealand
b	Billion
CAGR	Compound Annual Growth Rate
C/S America	Central & South America (Latin America)
CRI	Crown Research Institute
CY	Calendar year (ending Dec 21)
E Asia	East Asia
EBITDA	Earnings before interest, tax, depreciation and amortization
FAO	Food and Agriculture Organisation of the UN
FY	Financial year (of firm in question)
£/GBP	British pounds
JV	Joint venture
m	Million
n/a	Not available/not applicable
NA/ME/CA	North Africa / Middle East / Central Asia
Nec/nes	Not elsewhere classified/not elsewhere specified
N/C	Not calculable
N.H	Northern Hemisphere
NZ	New Zealand
NZ$/NZD	New Zealand dollar
R&D	Research and Development
S Asia	South Asia (Indian Subcontinent)
SE Asia	South East Asia
S.H	Southern Hemisphere
SS Africa	Sub-Saharan Africa
T/O	Turnover
US/USA	United States of America
US$/USD	United States dollar
UK	United Kingdom
US	United States of America
YE	Year ending
YTD	Year to date

Sources

AR	Annual report
Ce	Coriolis estimate
Ci	Coriolis interview

ABOUT CORIOLIS' SERVICES

Coriolis is a boutique management consulting firm that focuses on food, consumer packaged goods, retailing and foodservice.

Coriolis advises clients on strategy, operations, organization, and mergers and acquisitions. We develop practical, fact-based insights grounded in the real world that guide our clients decisions and actions. Founded in 1999, Coriolis is based in Auckland, New Zealand and works on projects across the Asia Pacific region.

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We help our clients assemble the facts needed to guide their big decisions. We make practical recommendations. Where appropriate, we work with them to make change happen.

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