

CONTENTS

| | |
|--|-----------|
| New This Quarter..... | 5 |
| Chapter 1 – Business Environment..... | 6 |
| <i>SWOT</i> | 6 |
| <i>United Kingdom Food, Drink and Tobacco Industry SWOT</i> | 6 |
| <i>Macroeconomic Outlook</i> | 7 |
| <i>Table: United Kingdom - Macroeconomic Forecasts</i> | 8 |
| Chapter 2: Retail..... | 9 |
| <i>Regional Overview</i> | 9 |
| <i>Table: Leading Western European Retailers Within Global Top 20</i> | 12 |
| <i>Industry Forecast Scenario</i> | 12 |
| <i>Table: Retail indicators</i> | 14 |
| <i>Company Developments</i> | 14 |
| <i>Market Overview</i> | 17 |
| <i>Structure of the UK's Mass Grocery Retail Market by Number of Outlets</i> | 19 |
| <i>Structure of the UK's Mass Grocery Retail Market – Sales Value by Format (US\$bn)</i> | 20 |
| <i>Average Sales per Outlet by Format (US\$m) – 2005</i> | 20 |
| Chapter 3 – Food & Drink..... | 21 |
| <i>Industry Forecast Scenario</i> | 21 |
| <i>Table: Food consumption indicators</i> | 22 |
| <i>Table: Food sub-sector indicators</i> | 23 |
| <i>Table: Drinks indicators</i> | 23 |
| <i>Table: Sectoral trade indicators (food, drink & tobacco – US\$m)</i> | 23 |
| <i>Industry Developments</i> | 24 |
| <i>Company Developments</i> | 24 |
| <i>Market Overview</i> | 28 |
| Chapter 4 – Tobacco..... | 30 |
| <i>Industry Forecast Scenario</i> | 30 |
| <i>Table: Tobacco indicators</i> | 30 |
| <i>Company Developments</i> | 30 |
| <i>Market Overview</i> | 31 |
| Chapter 5 – Competitive Landscape..... | 33 |
| <i>Key Players</i> | 33 |
| <i>Key Players in the UK's Mass Grocery Retail Sector - Financial Year 2006</i> | 33 |
| <i>Table: Key Players in the UK's Food & Drink Sector - 2005</i> | 34 |
| <i>Regional Company Case Studies</i> | 34 |
| <i>Nestlé In Western Europe</i> | 34 |
| <i>Nestlé in Western Europe - The Figures</i> | 39 |
| <i>Carlsberg In Western Europe</i> | 40 |
| <i>Table: Carlsberg Sales (US\$) & Growth (%) By Region – 2005</i> | 41 |
| <i>Table: Carlsberg Sales (US\$) & Growth (%) by Region – Q106</i> | 41 |
| <i>Table: Carlsberg Regional Strategies</i> | 43 |
| <i>Table: Carlsberg Operations in Western Europe</i> | 44 |
| <i>Company Analysis</i> | 45 |

| | |
|---|-----------|
| Chapter 6: Special Focus On Alcoholic Drinks..... | 48 |
| <i>Regional Overview.....</i> | 48 |
| <i>Table: Size of Alcoholic Drinks Market Over Review Period - Off-Trade Volume Sales (mhl).....</i> | 50 |
| <i>Table: Size of Alcoholic Drinks Market Over Review Period - Off-Trade Value Sales (EURmm).....</i> | 50 |
| <i>Table: Per-Capita Consumption of Selected Alcoholic Drinks – 2005</i> | 51 |
| <i>Market Overview</i> | 51 |
| <i>Table: Size Of UK Alcoholic Drinks Market – Off-trade – Historical Data.....</i> | 53 |
| <i>Beer – Overview & Outlook.....</i> | 53 |
| <i>Wine – Overview & Outlook.....</i> | 54 |
| <i>Leading Wine Brands – By Off-Trade Volume Sales 2004.....</i> | 55 |
| <i>Spirits – Overview & Outlook.....</i> | 55 |
| <i>Table: Size of UK Alcoholic Drinks Market – Off-trade – Forecast Data.....</i> | 56 |
| <i>Alcoholic Drinks – The Future.....</i> | 57 |
| <i>Key Players.....</i> | 59 |
| <i>Table: Key Players – UK Alcohol Drinks Industry.....</i> | 59 |
| <i>Rules & Regulatory Issues</i> | 59 |
| <i>Table: Excise Duty Rates In The UK</i> | 60 |
| BMI Forecast Modelling..... | 62 |
| <i>How we generate our industry forecasts.....</i> | 62 |
| <i>Retail Industry</i> | 63 |
| <i>Sources</i> | 64 |
| Appendix A: Global Economic Assumptions..... | 65 |
| <i>Introduction</i> | 65 |
| <i>The World Economy</i> | 65 |
| <i>Global Assumptions.....</i> | 66 |
| <i>United States.....</i> | 67 |
| <i>Eurozone.....</i> | 68 |
| <i>Japan</i> | 69 |
| <i>China</i> | 70 |
| <i>Commodities</i> | 71 |
| <i>Oil.....</i> | 72 |