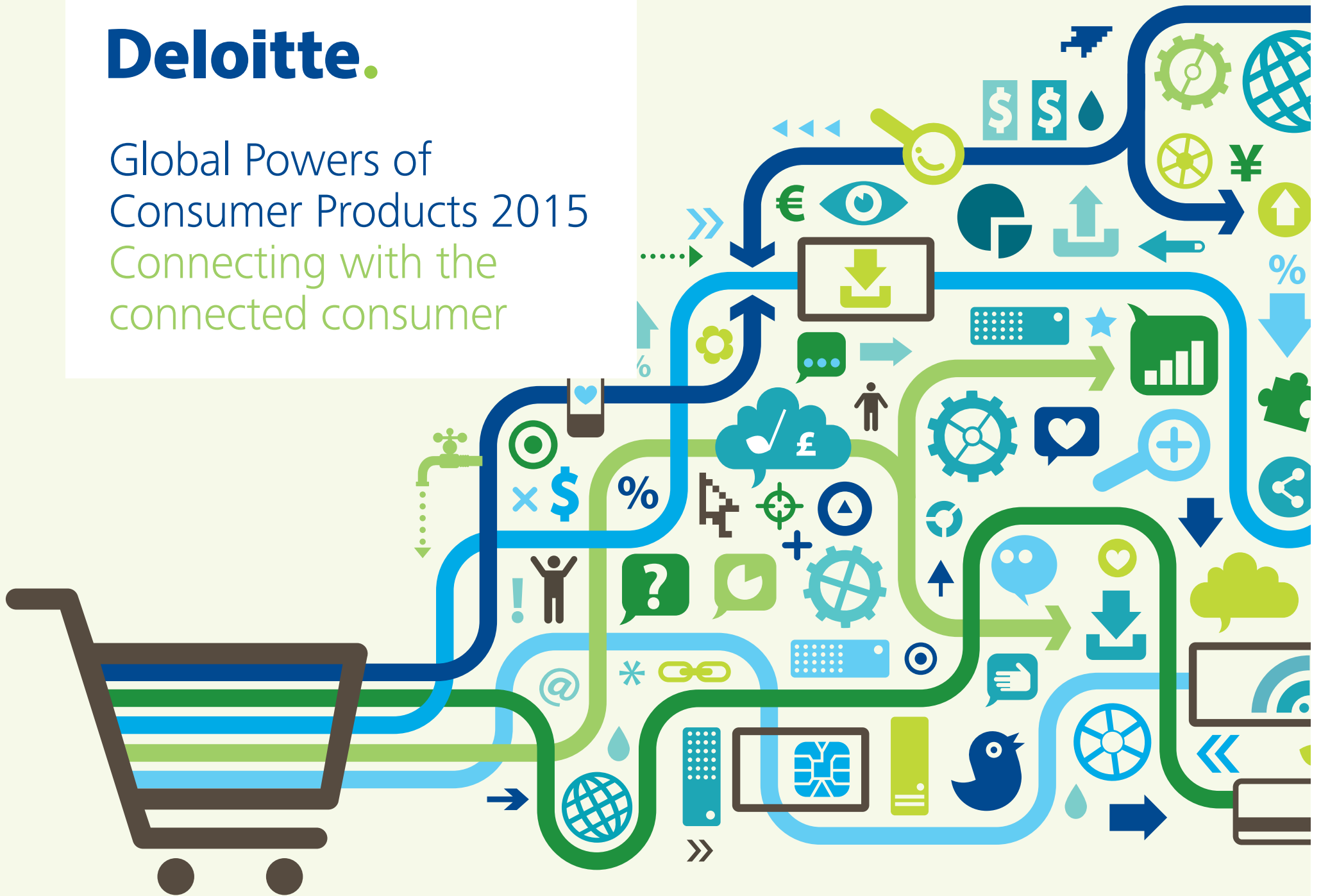


Deloitte.

Global Powers of
Consumer Products 2015
Connecting with the
connected consumer



Contents

Welcome	1
Global economic outlook	2
Connecting with the connected consumer	6
Global Powers of Consumer Products Top 250	10
Top 250 highlights	23
Top 10	25
Geographic analysis	27
Product sector analysis	35
Top 250 newcomers	46
Fastest 50	47
M&A activity	50
Q ratio analysis	59
Study methodology and data sources	66
Contacts	67

Deloitte Touche Tohmatsu Limited (DTTL) is pleased to present the eighth annual *Global Powers of Consumer Products*. This report identifies the 250 largest consumer products companies around the world based on publicly available data for the fiscal year 2013 (encompassing companies' fiscal years ended through June 2014).

The report also provides an outlook on the global economy; an analysis of market capitalization in the industry; a look at merger & acquisition activity in the consumer products industry; and a discussion on the importance of connecting with the connected consumer.

Global economic outlook

Big global issues

Falling oil price

As of this writing, the global price of oil has declined more than 50 percent from where it was in the first half of 2014. Oil has fallen due to weak global demand combined with a considerable increase in oil production in the U.S., Canada, Iraq, and Libya. Yet the U.S. is the main story, with oil production through fracking in North Dakota and Texas having transformed the global industry (hydraulic fracturing, called “fracking,” injects pressurized liquid into rock to extract oil or gas). The other big part of the story is the decision by Saudi Arabia not to cut production in order to boost prices. Rather, the Saudis are content to allow the price to sink in the hope that they will gain market share at the expense of frackers.

The drop in the price of oil is having a considerable impact on the global economy. It is creating disinflationary pressures, especially in developed markets such as the U.S., Europe, and Japan; it is boosting consumer purchasing power in oil-consuming nations such as Japan, India, the U.S., and much of Europe, and contributing to faster economic growth than would otherwise be the case; and it is wreaking havoc for oil exporters such as Russia, Iran, Venezuela, and Nigeria. Most importantly it has contributed to the stunning rise in the value of the U.S. dollar. Oil exporters are paid in dollars and then recycle those dollars by purchasing goods or assets from the rest of the world. With a lower oil price, the supply of dollars available for such purchases has declined. This paucity of dollars has caused the price of dollars to rise.

What can we expect going forward? In the short term, it is likely that the price of oil will fall further. There is a considerable amount of new oil production already in the pipeline in the U.S. that is expected to come on line in 2015, and crude inventories continue to pile up. Longer term, however, a low price is likely to retard investment in fracking. Indeed we’re already seeing a cutback in drilling permits and a drop in oil company capital expenditures. A reduction in U.S. production could, therefore, happen right when global demand starts to pick up speed. If this happens, the price will surely rebound, perhaps in the next one to two years. A rising price will be inflationary for consuming nations, will put pressure on external debt service for consuming nations, and will probably force tighter monetary policy at least in the U.S. For oil exporters, it would be beneficial – especially for such countries as Russia, Iran, Venezuela, and Mexico.

Rising U.S. dollar

One of the big stories in 2014 and early 2015 has been the sharp rise in the value of the U.S. dollar against most other major currencies. There were several reasons for this. Among them were the decline in the price of oil; faster economic growth in the U.S.; expectations of higher U.S. interest rates; and weak growth combined with more aggressive monetary policy in Europe, China, and Japan. The rising dollar has many effects. First, it is disinflationary in the U.S. by reducing import prices. This will provide the Federal Reserve with more time before it must raise short term interest rates. Second, a rising dollar is inflationary for everyone else. That will be good for Europe and Japan, where inflation is way too low. It will be a problem in many emerging markets. Indeed several have raised short term interest rates in order to stabilize their currencies and fight inflation, leading to slower growth. Third, a rising

dollar could be problematic for companies in emerging countries that have dollar-denominated debts. The volume of such debt has quadrupled in the last seven years. Going forward, while it is nearly impossible to accurately predict exchange rates, it does seem likely that the dollar will continue to face upward pressures, at least in early 2015.

Major markets

China

China’s economy has slowed down and continues to show signs of weakness despite government efforts to reverse the slowdown. The Chinese economy grew 7.4 percent in 2014, the slowest rate since 1990. The government expects growth of only 7.0 percent this year. Low growth could mean an inability to absorb workers migrating from rural to urban areas. The result would be high unemployment and social unrest. And, if the workers didn’t migrate, China wouldn’t grow since there would be zero productivity gains that come from switching workers from farms to factories. Thus, China can ill afford to grow much more slowly.

Why is China decelerating? First, export markets such as Europe have been dormant. Even the U.S. market isn’t what it used to be for China. Plus, China’s wages and currency have increased in recent years, thereby reducing the competitiveness of Chinese exports. The result has been that some manufacturing capacity has moved outside of China. Companies are looking elsewhere to produce goods for export. Basic assembly is moving from China to Vietnam, Indonesia, and elsewhere.

Second, the government has attempted to limit the growth of the shadow banking system. Lending outside traditional banking channels has resulted in excess investment in property, infrastructure, and heavy industry. The result is a growing volume of non-performing assets which threatens the stability of the financial system. Indeed the government has recently estimated that, in the past five years, \$6.8 trillion in investment has been wasted. Yet efforts to limit this activity have contributed to the slowdown in growth. The government is torn between a desire to limit financial risk and a desire to avoid a sharp slowdown. It has taken measures to limit the growth of shadow banking while, at the same time, attempted to stimulate more traditional forms of credit through easing of monetary policy. Indeed interest rates have been cut and the required reserve ratio of banks has been reduced. The problem is that, with considerable excess capacity in property and industry, it is not clear that easier monetary policy will necessarily lead to more credit market activity. Moreover, it is not clear if such an increase would be beneficial. It could exacerbate the problem of excess capacity, exacerbate wholesale price deflation, and ultimately lead to financial losses.

USA

The U.S. economy has accelerated and will likely grow faster in 2015 than at any time since 2005. While there are signs of strength, there have also been signs of weakness in the first quarter of 2015. In part this may reflect bad weather in much of the country. But it may also reflect the impact of a weak overseas economy as well as the negative effect of a high-valued dollar. The most important positive sign, however, is a very strong job market. Also, there are indications that a pickup in business investment is imminent. The major weak component of the U.S. economy is

housing. Data have bounced around in the past year due to higher mortgage interest rates, higher house prices, and the fact that first-time buyers are often plagued by student debt. However, the medium-term outlook for housing is good given that prices appear to be stabilizing, mortgage rates are down, job growth is strong, and there is considerable pent up demand. A disproportionate share of the activity is now in multi-unit housing rather than single family housing.

Moreover, in part due to the dramatic decline in oil prices, inflation remains well below the Federal Reserve's target of 2.0 percent. As such, it is likely that the Fed will wait at least until the end of 2015 before raising short term interest rates for the first time in eight years. Plus, low inflation and lower energy prices are helping to boost consumer purchasing power. In addition, unlike in the recent past, there is no fiscal consolidation taking place. Due to a strong economy, the budget deficit has fallen dramatically, thereby nearly eliminating the political pressure to do something about the deficit. The absence of spending cuts and tax increases removes a factor that held back growth in 2012-13.

In the longer term, the U.S. faces troubles emanating from demographics. As labor force growth lags behind the growth of the retired population, there will be negative consequences. These include slower economic growth, rising budget deficits starting in the middle of the next decade, and challenges for the private sector and state/local governments in funding pensions. Among the possible solutions to the demographic problem are to boost immigration, raise the average retirement age, increase taxes to fund government programs that support the elderly, and create incentives for people to save more for their retirement.

Europe

The Eurozone economy has been in very poor shape and prices are declining as of this writing. And although growth has been disappointing, there are some early signs of improvement. These include stronger job growth, rising retail sales, improved manufacturing performance, and some improvement in credit market conditions. Still, more is needed. The principal problem has been weakness in credit markets resulting in a paucity of business investment. The end result is weak hiring and high unemployment. Credit market weakness stems from several factors. These include weak banks that are struggling to recapitalize by selling risky assets and avoiding new ones, high risk spreads in Europe's periphery due to fears about sovereign risk, and the fear of deflation. Despite a moderately aggressive monetary policy, which has led to growth of the broad money supply, bank credit to the private sector continues to decline.

To counter the problems in credit markets, the European Central Bank (ECB) has lately engaged in a far more aggressive monetary policy. This entails very low interest rates, direct low-interest loans to banks on the condition that the money is then loaned to the private sector, and most importantly, purchases of government bonds – better known as quantitative easing. The early signs are good. Yet quantitative easing alone may not be sufficient to restore strong growth. Europe still needs an easier fiscal policy, more economic restructuring within key countries, and more financial integration within the Eurozone.

Here are some comments on specific countries in Europe:

France

The French economy is teetering on the edge of recession. The economy has stalled, unemployment remains high, business confidence is low, and there is a risk of deflation. The main problem is declining business investment. The big issue in France is the failure of the current government to address structural problems in the economy. France has lost competitiveness due to stagnant productivity, high labor costs, restrictive labor market rules, and high taxes. These factors have contributed to business unwillingness to boost investment. Recently, President Hollande, under pressure from Germany and the International Monetary Fund (IMF), appointed a reform-minded Prime Minister, Manuel Valls, who has a background in financial services, and is expected to implement more market-oriented policies. Yet he faces considerable resistance from Hollande's own Socialist Party. If a credible reform agenda is implemented it could have a very positive impact on investment.

Germany

The German economy is improving. Business confidence has rebounded, in part due to continued strength of consumer demand which appears to be driving growth. Indeed Germany has an unusually low unemployment rate. This is good as Germany's export engine has faced obstacles from weak overseas growth. With respect to the Eurozone, Germany continues to put pressure on France and Italy to enact structural reforms, and resists pressure to boost monetary and fiscal stimulus – although the government does concede that more infrastructure investment is needed.

Italy

Italy was the worst-performing European economy in the past fifteen years. Its economy barely grew. Combined with fiscal profligacy, this resulted in a huge debt/GDP ratio. Yet Italy never had any difficulty in servicing this debt as it had a high savings rate. This changed when the contagion effects of the Greek debt drama led to a huge increase in Italian bond yields. However, when the ECB promised to “do whatever it takes” to save the euro, bond yields declined. Fiscal austerity also convinced bond investors that Italy was on a path to recovery. Still, austerity hurt growth. The failure of Italy's governments to implement serious reforms also hurt business confidence. The result is that Italy is not growing, largely due to a sharp decline in investment. Italy suffers from poor confidence, deflation, and high risk spreads which make the cost of capital relatively high. Prime Minister Matteo Renzi excited voters with the promise of reform. Yet he has faced obstacles, including massive labor protests.

Spain

Spain has been the surprise star performer among large Eurozone economies. A few other smaller Eurozone economies have done very well, especially Ireland but also Portugal. In the case of Spain, what sets it apart is that in the last few years its labor cost of doing business has declined relative to the other major European economies. In other words, it has gained competitiveness through a combination of wage restraint, labor market liberalization, and productivity gains. The result is that Spain's exports have performed very well. In addition, unlike the other Eurozone economies, Spain's business investment has been expanding, reflecting increased business confidence. Plus, unemployment has come down considerably – although it still remains quite high at 23 percent. This, combined with lower energy prices, has contributed to moderate growth of consumer spending. On the other hand, Spain suffers from deflation. Unless this is reversed, it could undermine the progress that Spain has made.

UK

Of the major industrial nations, Britain now has the fastest growing economy. This follows an extended period of weak economic performance, exacerbated by deep fiscal austerity on the part of the government. But now, a combination of positive factors appears to be boosting the British economy. These include a very aggressive program of quantitative easing, government support for housing, an improvement in the international competitiveness of British industry (following wage restraint and productivity gains), declining unemployment, and considerable pent-up demand. On the other hand, the weakness of the neighboring Eurozone economy is a drag on Britain. Still, the medium-term outlook is good for several reasons. These include much lower inflation (which gives the Bank of England reason to avoid tight monetary policy), a rising pound (which is disinflationary and boosts consumer purchasing power), and lower energy prices.

Japan

Japan went into recession in 2014 following a big tax increase, with declining consumer spending and business investment. This was not meant to be. When Shinzo Abe took office roughly two years ago, he offered a radical departure in policy characterized by the three “arrows” of “Abenomics.” These were fiscal stimulus, aggressive monetary policy, and structural reform (basically deregulation and free trade). Of the three arrows, only one was implemented. This was monetary policy in which the Bank of Japan (BOJ) engaged in unlimited quantitative easing with the goal of ultimately achieving 2.0 percent inflation. The effect of this policy was to suppress the yen, boost equity prices, boost inflation, and suppress real interest rates. Initially it had a positive impact on growth. Then, things changed. Wages failed to respond and real consumer purchasing power declined, having a negative impact on consumer spending. The rest of the world failed to cooperate and weak external demand hurt exports. But the worst problem was implementation of a massive tax increase in April 2014, a policy

that had already been in the pipeline when Abe took office. This had a devastating impact and led to the current recession.

In November 2014, Abe announced that the second round of the tax increase, scheduled for October 2015, would be postponed by 18 months. Now the question remains as to what Abe will do regarding the third arrow of Abenomics. Will he finally implement the politically difficult reforms that he initially promised? These include labor market liberalization, product market deregulation, freer trade, changes in corporate governance, and incentives for greater female participation in the labor force. He has already taken some action on the latter two issues. Supporters of Abenomics now hope that he will address all of these issues. If he does, it could have a positive impact on business productivity. It would also likely boost business confidence and, therefore, investment.

As for the Bank of Japan's monetary policy, it is now extremely aggressive compared to what happened in the U.S. (see chart). Moreover, based on the current trajectory, it is expected to result in a massive increase in BOJ assets relative to GDP. Will this ultimately result in boosting inflation to the required level? It is hard to say. The deflationary psychology is very strong in Japan and will be hard to break. So far, the policy has had more of an impact on Japanese asset prices than on inflation, and this could continue.

Brazil

As of early 2015, Brazil's economy is in recession. This is due to a sharp drop in commodity prices (due to China's slowdown); a central bank policy of high interest rates to fight inflation and to stabilize the currency; and business lack of confidence due to a government policy of high regulation and protectionism. In addition, Brazil has suffered from the rise in the U.S. dollar, which is one of the reasons that the central bank has been compelled to tighten monetary policy. The election in late 2014 resulted in a second term for President Dilma Rousseff. Although she has since appointed a very market-oriented Finance Minister, there remains

uncertainty as to whether she will be able to implement the fiscal austerity and economic reforms she promises. Among the policies that investors want are a reduction in government social spending and subsidies (in order to cut the deficit and free up resources for investment in infrastructure); deregulation of labor and product markets; and freer trade. As for trade, Brazil remains a relatively protectionist economy. Trade is a much smaller share of GDP than is the case in China or India. The range of reform ideas is meant to boost productivity and improve Brazil's competitiveness. This is important as domestic demand is not likely to be a major source of growth in the near future. Consumer debt is already quite high, so consumer spending will necessarily be constrained. Until now, Rousseff's major platform has been an effort to boost the spending power of the poor through government transfers.

India

India had a highly significant election in 2014, resulting in the election of Narendra Modi as Prime Minister. For the first time in more than 30 years, a prime minister's party has a majority in the Parliament, thus boosting prospects for enacting reform legislation. Yet in his first six months in office not much reform legislation was proposed, thus disappointing supporters who were euphoric following Modi's victory. They are hoping he will deregulate industry and labor markets, reduce costly subsidies, boost infrastructure investment, negotiate freer trade, and ease restrictions on foreign investment. If he does these things, India's growth outlook will likely improve dramatically. Meanwhile, growth is recovering from its doldrums but remains below potential. The central bank has managed to reduce inflationary expectations, which should have a positive impact on growth. Plus, lower oil prices are having a positive impact both on inflation and growth.

Russia

Russia's economy is in bad shape. Following the crisis in Ukraine and the implementation of sanctions, there was massive capital

flight from Russia resulting in a sharp drop in the currency. This, in turn, led the central bank to severely raise interest rates several times. The result was that investment dried up, including foreign investment. Moreover, the declining global price of oil also contributed to downward pressure on the currency and concerns about the ability of Russian debtors to service their external debts. The sanctions that have been imposed mean that some big Russian companies will have trouble rolling over foreign debts due to limited access to foreign financial markets. Already risk spreads have increased dramatically. Some energy companies will lack access to technologies that are needed to tap into Arctic reserves. This means that oil production is likely to decline absent an end to sanctions. By early 2015, the central bank had stopped intervening in currency markets and had started to cut interest rates. With oil collapsing, the ruble continues to fall, contributing to rising inflation and deeper problems for Russian debtors. Indeed the government is already providing financial support to some Russian companies hurt by sanctions.

South Africa

Economic growth has decelerated steadily over the last few years and is now only slightly above 1 percent per year. Inflation has been high, but has come down due to lower energy prices. The country has been hurt by labor unrest, declining commodity prices, shortages of electricity, and under-investment. On the other hand, the decline in the price of oil should boost consumer spending power in 2015. Still, the currency (rand) has been under pressure, thus contributing to inflation and limiting the flexibility of the central bank. While growth is expected to pick up in 2015 and beyond, most analysts see South Africa as having limited potential. Growth is expected to recover to a level of 3 to 4 percent, far below that of many other African economies. However, due to South Africa's sophisticated business environment, it is expected to remain a major center of business and finance for the continent.

Connecting with the connected consumer

Engaging in the consumer conversation

More than ever, consumer products companies must directly engage with consumers

Consumers are talking – all the time, everywhere – and it is they, not companies, who increasingly own the conversation about products and services. The supply-driven world has become a demand-driven world where the consumer is in charge. Today's consumers are not only critics and curators, but, increasingly, creators. Yesterday's consumer purchased from a limited set of offerings, and the communication was one-way, under complete control of marketing and advertising agencies. Today, individual consumers can start with an idea, a need, or an inspiration and browse online to find what they want, and, if they can't find it, create it themselves by working with companies that provide this capability. Today, the consumer is in charge.

Consumer product companies could view this defensively as a loss of control. However, to view this challenge solely as a negative, a risk so to speak, is to miss the broader opportunity. More than ever, it is important that consumer products companies be an active part of the conversation. Direct conversations with consumers can drive growth and innovation. Indeed, such dialogue can lead companies into areas of consumer need that they might otherwise overlook or ignore. To seize this sizeable opportunity, the critical challenge for consumer product companies is to create the right experience, the right engagement, for consumers and to do it at scale.

Companies such as Shapeways are working directly with consumers in just this way. What will your company do to engage consumers?

Case study—Shapeways

Shapeways is a 3D printing company where consumers can design the products they seek. Customers upload their designs to the Shapeway website for price quotes based on the materials involved. Users can also refine their designs with help from “experts” on the Shapeway forum, or opt for preexisting designs and make minor changes to them before ordering.

Source: A billion to one: The crowd gets personal, Deloitte University Press, January 26, 2015

Consumer engagement – much more than marketing

One function or one department cannot engage consumers, nor can it be viewed as a one-off campaign. Consumer engagement requires long-term commitment and collaboration across the entire company to manage multiple consumer touchpoints and to sustain the relationship as consumer expectations evolve. If not, the business will constantly be playing “catch-up”.

Businesses that commit to making engagement as easy as possible for consumers are positioning themselves in the center of the conversation and are better positioned to succeed. Such positioning will likely involve:

- **Deciding on the appropriate engagement approach** – whether it is being actively engaged in the conversation, monitoring it or simply ignoring it, a well thought out strategy, based on brand positioning, will pay dividends. Typically, consumers tend to be highly engaged with more expensive items and will limit interaction with providers of commodities.
- **Developing content creation and content management capabilities** – focus on informing and educating consumers rather than just selling to them. Arming consumers with the right information helps them move independently through the shopping journey, creates trust, and increases their loyalty.
- **Investing in technology and developing analytics capabilities** – integrate and track, across all channels and touchpoints, every individual journey to offer targeted responses in real time
- **Ensuring staff at each level of the organization understand the role they play** – empower staff to make appropriate decisions, whether this means directing consumers toward alternative products or providing compensation to dissatisfied consumers
- **Managing the reputational risks associated with social platforms** – establish social command centers to listen to conversations, engage with consumers, and proactively share positive stories

Leveraging the crowd

Empowered consumers are a significant driver of growth, as their behavior intensifies competition and drives innovation

The ability of like-minded people to compare experiences and promote their collective voice has become a force in the consumer market, moving beyond reviews and recommendations into co-creation.

Companies are learning to incorporate the contributions of individual consumers, as well as communities, into their value chain. Many are using sensors, digital data, and smartphone interactions to innovate with their products and services.

Some companies, such as Lego and Quirky, are using the power of the crowd to help them develop their products, and others such as Coca-Cola are drawing on customer input to develop marketing campaigns.

Businesses can take specific consumer characteristics and behavior and contextualize them with data on thousands or millions of other individuals. This enables designers to deliver products and services that are unique or closely tailored to consumer needs.

Deloitte calls this creation of unique customer products and services derived from crowd-based insights the “billion-to-one” phenomenon, or B2ONE, experience. As depicted below, the consumer’s experience is brought into each stage of the process, from the ideation, to design, to production, and, finally, to the commercial production of the product or service.

Case study—LEGO

Lego Cuusoo is a crowdsourcing platform where people post their Lego creations. If the creation gets more than 10,000 supporters, Lego will commercialise it and the creator will receive royalties.⁶

Case study—Quirky

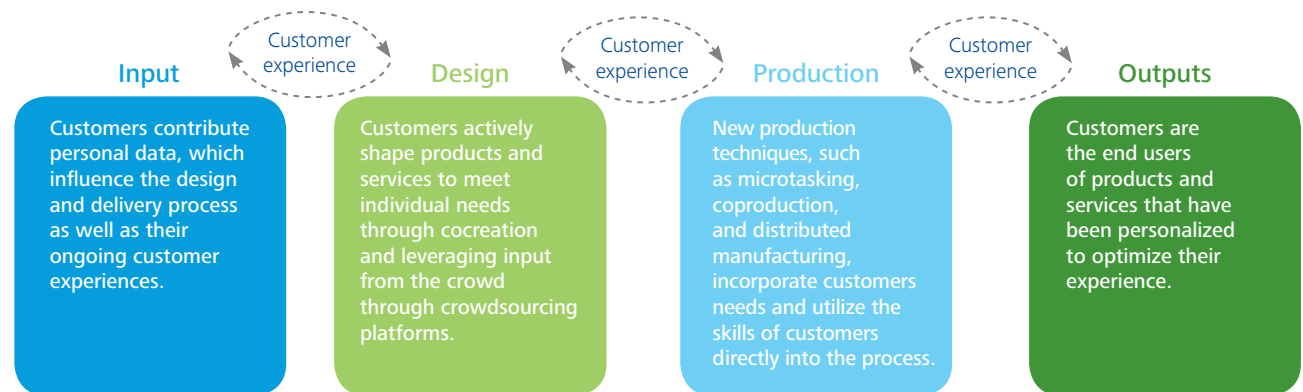
At consumer products manufacturer Quirky, customers can pitch design ideas for new products and, through voting directly, influence what the company makes and sells. The result: hundreds of useful, one-of-a-kind products, ranging from a smart air conditioner to a citrus spritzer.

Case study—Coca Cola

Coca-Cola launched its first TV commercial created with user-generated content. The advert, aired during the final episode of American Idol, was produced by Wieden + Kennedy. It features content generated by a competition that challenged teenagers to submit short video clips “sharing what it feels like when they take a sip of Coke.” Forty clips were selected from over 400 clips and include content from consumers from different countries. The campaign is an example of how consumer businesses are increasingly turning to consumers to co-create not only products and services but also marketing communications and creative content.²

Source: The growing power of consumers, The Deloitte Consumer Review, July 2014; A billion to one: The crowd gets personal, Deloitte University Press, January 26, 2015

B2ONE experience



Source: A billion to one: The crowd gets personal, Deloitte University Press, January 26, 2015

What will it require?

Harnessing crowd-based insights will require companies to change their approach and processes in a number of ways:

- **Shifting organizational focus from simply providing products and services to solving a problem and creating an experience for the customer** – indeed, a business that solves a daily problem for consumers better than anyone else gives consumers a compelling reason to become engaged with the company
- **Treating consumers as potential designers** – use consumer satisfaction data in which consumers critique and assess the goods and services they receive
- **Moving away from broad-scale product testing** – follow the model of entrepreneurs and small companies that are very close to the ultimate consumer, possibly including marketing teams in the new product development process.
- **Creating better and faster feedback loops** – continuously collect and analyze the steady stream of consumer feedback at a fairly granular level. Apply the resulting insights from this to improve and redesign offerings and to personalize products for different kinds of consumers. This could include faster prototyping to get something tangible in front of the consumer.

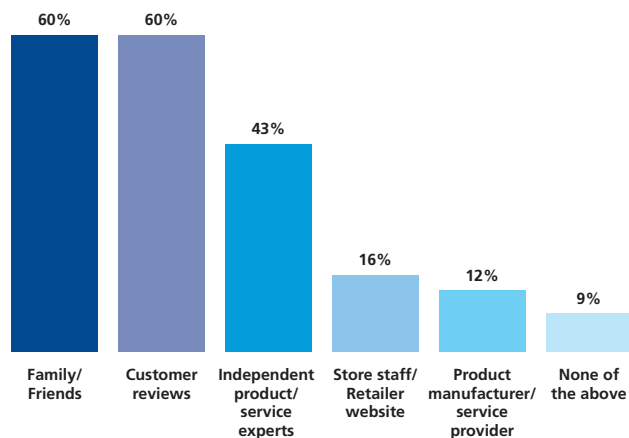
Finally, all of these processes must have a solid foundation of consumer trust, without which none of these conversations and collaborations can occur.

Fostering and sustaining trust

Trust as a competitive advantage

While consumers have unprecedented access to product information and online expertise to guide their purchasing decisions, recent research from Deloitte shows that, surprisingly, consumers are talking far less to product or service experts than they are to families, friends, and other consumers.

Most trusted source of information on products and services



Source: Deloitte research, May 2014
Base: UK consumers 16+ (n=2000)

With trust in consumer companies at its lowest level in years, consumers are turning to those they feel they can trust. It is imperative, therefore, that in return for sharing their data, consumers get something valuable in return. As the statistics below indicate, trust is an important driver of consumer purchasing behavior.

80%

Are more likely to purchase from consumer product companies that they believe protect their personal information

72%

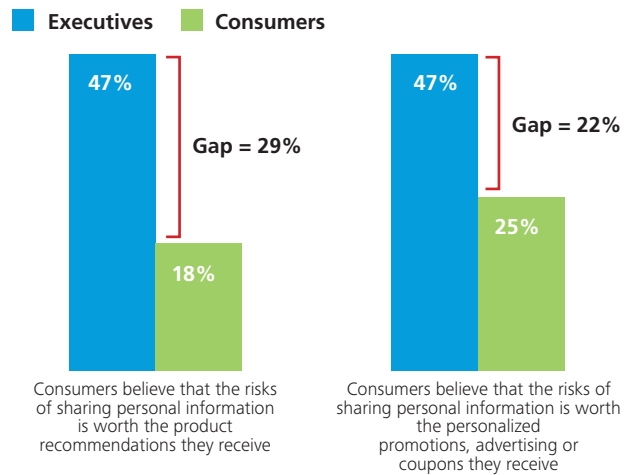
Avoid purchasing brands from consumer product companies that they believe do not believe protect their personal information

Source: Building Consumer Trust: Protecting personal data in the consumer products industry, Deloitte University Press, November 13, 2014

So while consumers may appreciate the benefits of personalization and customization, a vast majority continue to have great concerns about sharing their data with consumer product companies. Many are aware of, or have been affected by, data security and privacy breaches and are not likely to be forgiving if this occurs with their own information. As the saying goes, trust is difficult to earn and can be lost in an instant.

Allowing users to opt in to share their data rather than making it the default and providing something valuable in return for their data is certainly an important proposition. However, as shown in the chart below, industry and consumers are far apart in recognizing the importance of this exchange. To consumers, personalized offers or recommendations do not outweigh the perceived risks of sharing their information. This “trust gap” must be addressed if companies are to benefit from collaborative innovation with consumers.

Personalization does not outweigh risks of sharing information



Source: Deloitte Consumer Product Data Privacy and Security Executive Survey, August 2014

What can businesses do to foster trust? Most immediately, the consumer product companies must build stronger data privacy and security practices based on the consumer’s mindset. This includes:

- Developing privacy policies as if they were a marketing tool
- Elevating the seniority of the executive responsible for data privacy and security
- Deploying supporting processes and systems consistently across the entire enterprise
- Expanding risk management to guard against external as well as internal breaches

Beyond this, companies must regularly reassure consumers that their personal information is being protected:

- Provide transparency in policies and actions
- Be judicious about collecting and sharing data
- Inform and reassure customers about security measures
- Be prepared to compensate for security lapses

Conclusion

Being involved in the consumer conversation means, ultimately, establishing engagement and trust. While consumer products companies can seize the opportunity to engage the consumer as co-creator and advocate, they must also build trust with that consumer by rigorously addressing data privacy and security concerns. Companies must openly encourage dialogue with consumers and acknowledge consumer sentiments and suggestions in a timely fashion. Personalizing responses and policies to the most valued consumers is key. This is not a one-time effort but an ongoing effort involving multiple functions in which collaboration and consistency are critical to meeting consumer expectations and ultimately driving profitable growth for brand.

For more information, see “The Deloitte Consumer Review: The growing power of consumers,” “A billion to one: The crowd gets personal,” and “Building consumer trust: Protecting personal data in the consumer products industry.”

Global Powers of Consumer Products Top 250

Top 250 consumer products companies

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
1	Samsung Electronics Co., Ltd.	South Korea	Asia/Pacific	Electronic Products	210,397	13.7%	13.3%	13.5%
2	Apple Inc.	United States	North America	Electronic Products	170,910	9.2%	21.7%	35.4%
3	Nestlé S.A. ²	Switzerland	Europe	Food, Drink & Tobacco	99,485	2.7%	11.3%	n/a
4	The Procter & Gamble Company	United States	North America	Personal Care & Household Products	83,062	-1.3%	14.2%	1.0%
5	Sony Corporation	Japan	Asia/Pacific	Electronic Products	66,756	17.4%	-0.9%	-1.2%
6	PepsiCo, Inc.	United States	North America	Food, Drink & Tobacco	66,415	1.4%	10.2%	9.0%
7	Unilever Group	Netherlands and U.K.	Europe	Personal Care & Household Products	66,143	-3.0%	10.6%	4.2%
8	LG Electronics Inc.	South Korea	Asia/Pacific	Electronic Products	53,489	14.1%	0.4%	-1.7%
9	The Coca-Cola Company	United States	North America	Food, Drink & Tobacco	46,854	-2.4%	18.4%	8.0%
10	JBS S.A.	Brazil	Latin America/Caribbean	Food, Drink & Tobacco	43,306	22.7%	1.2%	25.1%
11	Anheuser-Busch InBev SA/NV	Belgium	Europe	Food, Drink & Tobacco	43,195	8.6%	38.2%	12.9%
12	Lenovo Group Limited	Hong Kong	Asia/Pacific	Electronic Products	38,707	14.3%	2.1%	21.0%
13	Bridgestone Corporation	Japan	Asia/Pacific	Tires	36,609	17.4%	6.0%	2.0%
14	Mondelez International, Inc.	United States	North America	Food, Drink & Tobacco	35,299	0.8%	11.1%	-3.5%
15	Tyson Foods, Inc.	United States	North America	Food, Drink & Tobacco	34,374	3.3%	2.3%	5.1%
16	Mars, Incorporated	United States	North America	Food, Drink & Tobacco	33,000 ^e	0.0%	n/a	1.9%
17	Philip Morris International Inc.	United States	North America	Food, Drink & Tobacco	31,217	-0.5%	28.3%	4.0%
18	L'Oréal S.A.	France	Europe	Personal Care & Household Products	30,519	2.3%	12.9%	5.5%
19	Haier Group Company	China	Asia/Pacific	Home Furnishings & Equipment	29,127	10.5%	6.0%	8.7%
20	Danone	France	Europe	Food, Drink & Tobacco	28,289	2.1%	7.3%	7.0%
21	NIKE, Inc.	United States	North America	Apparel & Accessories	27,799	9.8%	9.7%	7.7%
22	Compagnie Générale des Établissements Michelin S.C.A.	France	Europe	Tires	26,893	-5.7%	5.6%	4.3%
23	Heineken N.V.	Netherlands	Europe	Food, Drink & Tobacco	25,507	4.5%	8.2%	6.0%
24	Japan Tobacco Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	23,974	13.2%	18.1%	
25	British American Tobacco plc	United Kingdom	Europe	Food, Drink & Tobacco	23,879	0.5%	27.5%	4.7%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
26	Imperial Tobacco Group PLC	United Kingdom	Europe	Food, Drink & Tobacco	22,780	-0.6%	6.6%	7.6%
27	Henkel AG & Co. KGaA	Germany	Europe	Personal Care & Household Products	21,724	-0.9%	9.9%	3.0%
28	Groupe Lactalis	France	Europe	Food, Drink & Tobacco	21,252	1.9%	n/a	11.5%
29	Kimberly-Clark Corporation	United States	North America	Personal Care & Household Products	21,152	0.4%	10.5%	1.7%
30	Suntory Holdings Limited	Japan	Asia/Pacific	Food, Drink & Tobacco	20,932	10.2%	10.4%	6.2%
31	Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA)	Mexico	Latin America/ Caribbean	Food, Drink & Tobacco	20,149	8.4%	8.6%	9.0%
32	Cargill Meat Solutions Corporation	United States	North America	Food, Drink & Tobacco	20,000 ^e	11.1%	n/a	8.5%
33	Kirin Holdings Company, Limited	Japan	Asia/Pacific	Food, Drink & Tobacco	19,943	3.9%	5.3%	0.2%
34	Midea Group Co., Ltd.	China	Asia/Pacific	Home Furnishings & Equipment	19,544	17.9%	6.9%	5.6%
35	The Goodyear Tire & Rubber Company	United States	North America	Tires	19,540	-6.9%	3.5%	0.1%
36	adidas AG	Germany	Europe	Apparel & Accessories	19,249	-2.6%	5.5%	6.1%
37	Gree Electric Appliances, Inc. of Zhuhai	China	Asia/Pacific	Home Furnishings & Equipment	19,164	19.4%	9.1%	23.1%
38	Whirlpool Corporation	United States	North America	Home Furnishings & Equipment	18,769	3.5%	4.5%	-0.1%
39	Kraft Foods Group, Inc.	United States	North America	Food, Drink & Tobacco	18,218	-0.7%	14.9%	0.6%
40	General Mills, Inc.	United States	North America	Food, Drink & Tobacco	17,910	0.8%	10.4%	4.0%
41	ConAgra Foods, Inc.	United States	North America	Food, Drink & Tobacco	17,703	14.3%	1.8%	6.8%
42	Altria Group, Inc.	United States	North America	Food, Drink & Tobacco	17,663	0.9%	25.7%	2.1%
43	Colgate-Palmolive Company	United States	North America	Personal Care & Household Products	17,420	2.0%	13.8%	2.6%
44	AB Electrolux	Sweden	Europe	Home Furnishings & Equipment	16,763	-0.8%	0.6%	0.8%
45	SABMiller plc	United Kingdom	Europe	Food, Drink & Tobacco	16,704	-4.3%	21.9%	2.3%
46	Diageo plc	United Kingdom	Europe	Food, Drink & Tobacco	16,684	-10.3%	21.3%	2.0%
47	LIXIL Group Corporation	Japan	Asia/Pacific	Home Improvement Products	16,270	13.4%	2.7%	9.2%
48	Reckitt Benckiser Group plc	United Kingdom	Europe	Personal Care & Household Products	15,716	5.0%	17.3%	8.9%
49	ASUSTeK Computer Inc.	Taiwan	Asia/Pacific	Electronic Products	15,636	3.3%	4.6%	-7.0%
50	Royal FrieslandCampina N.V.	Netherlands	Europe	Food, Drink & Tobacco	15,166	10.8%	1.4%	3.8%
51	Kellogg Company	United States	North America	Food, Drink & Tobacco	14,792	4.2%	12.2%	2.9%
52	Dr. August Oetker KG	Germany	Europe	Food, Drink & Tobacco	14,404 [*]	-0.9%	n/a	3.2%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
53	Uni-President Enterprises Corp.	Taiwan	Asia/Pacific	Food, Drink & Tobacco	14,278	3.6%	4.9%	7.7%
54	BRF S.A. (formerly BRF - Brasil Foods S.A.)	Brazil	Latin America/Caribbean	Food, Drink & Tobacco	14,227	7.0%	3.5%	21.8%
55	BSH Bosch und Siemens Hausgeräte GmbH	Germany	Europe	Home Furnishings & Equipment	13,957	7.2%	2.9%	3.7%
56	Grupo Bimbo, S.A.B. de C.V.	Mexico	Latin America/Caribbean	Food, Drink & Tobacco	13,812	1.7%	2.7%	16.4%
57	TCL Corporation	China	Asia/Pacific	Electronic Products	13,784	22.9%	3.4%	17.3%
58	Svenska Cellulosa AB SCA	Sweden	Europe	Personal Care & Household Products	13,672	4.2%	6.3%	-4.2%
59	Kao Corporation	Japan	Asia/Pacific	Personal Care & Household Products	13,494	7.8%	5.0%	0.6%
60	Asahi Group Holdings, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	13,288	12.0%	4.8%	5.5%
61	Arla Foods amba	Denmark	Europe	Food, Drink & Tobacco	13,108	16.6%	3.0%	8.3%
62	Dairy Farmers of America	United States	North America	Food, Drink & Tobacco	12,800	5.8%	0.5%	1.8%
63	Maxingvest AG	Germany	Europe	Personal Care & Household Products	12,755	-0.1%	7.8%	
64	Hangzhou Wahaha Group Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	12,649	23.1%	n/a	19.0%
65	Acer Incorporated	Taiwan	Asia/Pacific	Electronic Products	12,154	-16.2%	-5.7%	-8.0%
66	Carlsberg A/S	Denmark	Europe	Food, Drink & Tobacco	11,853	-1.0%	8.9%	2.1%
67	Alticor Inc.	United States	North America	Personal Care & Household Products	11,800	4.4%	n/a	7.6%
68	Meiji Holdings Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	11,469	1.9%	1.7%	ne
69	H. J. Heinz Company	United States	North America	Food, Drink & Tobacco	11,443 ^e	-0.7%	0.3%	2.4%
70	V.F. Corporation	United States	North America	Apparel & Accessories	11,420	5.0%	10.6%	8.4%
71	WH Group Limited	Hong Kong	Asia/Pacific	Food, Drink & Tobacco	11,253	80.2%	-0.6%	17.4%
72	NH Foods Ltd. (formerly Nippon Meat Packers, Inc.)	Japan	Asia/Pacific	Food, Drink & Tobacco	11,210	9.7%	2.2%	1.8%
73	Stanley Black & Decker, Inc.	United States	North America	Home Improvement Products	11,001	8.0%	4.5%	20.0%
74	The Estée Lauder Companies Inc.	United States	North America	Personal Care & Household Products	10,969	7.7%	11.0%	8.4%
75	Tingyi (Cayman Islands) Holding Corp.	China	Asia/Pacific	Personal Care & Household Products	10,941	18.8%	4.5%	20.7%
76	Pernod Ricard S.A.	France	Europe	Food, Drink & Tobacco	10,781	-7.3%	12.9%	2.0%
77	The Ferrero Group	Italy	Europe	Food, Drink & Tobacco	10,595	5.6%	n/a	5.4%
78	Danish Crown AmbA	Denmark	Europe	Food, Drink & Tobacco	10,233	3.0%	2.7%	4.4%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
79	Yamazaki Baking Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	9,935	1.8%	1.3%	3.6%
80	Ajinomoto Co., Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	9,903	-15.4%	5.1%	-3.6%
81	Nikon Corporation	Japan	Asia/Pacific	Electronic Products	9,796	-3.0%	4.8%	2.2%
82	Avon Products, Inc.	United States	North America	Personal Care & Household Products	9,764	-7.4%	-0.5%	-1.6%
83	Luxottica Group S.p.A.	Italy	Europe	Apparel & Accessories	9,713	3.2%	7.5%	7.1%
84	S.C. Johnson & Son, Inc.	United States	North America	Personal Care & Household Products	9,600 ^e	0.0%	n/a	2.5%
85	Sichuan Changhong Electric Co., Ltd	China	Asia/Pacific	Electronic Products	9,511	12.5%	1.3%	16.1%
86	Vion Holding N.V.	Netherlands	Europe	Food, Drink & Tobacco	9,341	-26.9%	6.7%	-3.8%
87	Coca-Cola HBC AG (formerly Coca-Cola Hellenic Bottling Company S.A.)	Switzerland	Europe	Food, Drink & Tobacco	9,130	-2.4%	3.2%	-0.3%
88	The Swatch Group Ltd.	Switzerland	Europe	Apparel & Accessories	9,128	8.5%	22.8%	8.3%
89	Dean Foods Company	United States	North America	Food, Drink & Tobacco	9,016	-21.3%	9.1%	-6.3%
90	Saputo Inc.	Canada	North America	Food, Drink & Tobacco	8,776	26.5%	5.8%	9.8%
91	Hormel Foods Corporation	United States	North America	Food, Drink & Tobacco	8,752	6.3%	6.1%	5.3%
92	Marfrig Global Foods S.A. (formerly Marfrig Alimentos S.A.)	Brazil	Latin America/Caribbean	Food, Drink & Tobacco	8,741	-21.0%	-4.8%	24.8%
93	Maruha Nichiro Holdings, Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	8,509	5.2%	0.5%	-1.0%
94	Coca-Cola Enterprises, Inc.	United States	North America	Food, Drink & Tobacco	8,212	1.9%	8.1%	4.4%
95	PVH Corp.	United States	North America	Apparel & Accessories	8,186	35.5%	1.8%	26.9%
96	Masco Corporation	United States	North America	Home Improvement Products	8,173	5.5%	3.8%	-3.2%
97	Pirelli & C. S.p.A.	Italy	Europe	Tires	8,164	1.2%	5.0%	5.7%
98	Campbell Soup Company	United States	North America	Food, Drink & Tobacco	8,052	4.5%	5.6%	0.1%
99	Sumitomo Rubber Industries, Ltd.	Japan	Asia/Pacific	Tires	8,009	9.9%	6.1%	5.2%
100	Reynolds American Inc.	United States	North America	Food, Drink & Tobacco	7,899	-4.9%	21.7%	-2.2%
101	MillerCoors LLC	United States	North America	Food, Drink & Tobacco	7,801	0.5%	16.5%	0.9%
102	Inner Mongolia Yili Industrial Group Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	7,719	13.8%	6.7%	17.1%
103	Shiseido Company, Limited	Japan	Asia/Pacific	Personal Care & Household Products	7,613	12.4%	3.8%	2.0%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
104	National Beef Packing Company, LLC	United States	North America	Food, Drink & Tobacco	7,486	0.1%	n/a	5.1%
105	Ralph Lauren Corporation	United States	North America	Apparel & Accessories	7,450	7.3%	10.4%	8.2%
106	Tönnies Lebensmittel GmbH & Co. KG	Germany	Europe	Food, Drink & Tobacco	7,438 ^e	12.0%	n/a	8.0%
107	Jarden Corporation	United States	North America	Personal Care & Household Products	7,356	9.9%	2.8%	6.4%
108	Mohawk Industries, Inc.	United States	North America	Home Improvement Products	7,349	27.0%	4.8%	1.5%
109	The Hershey Company	United States	North America	Food, Drink & Tobacco	7,146	7.6%	11.5%	6.8%
110	Mccain Foods Limited	Canada	North America	Food, Drink & Tobacco	7,109 ^e	8.6%	n/a	3.2%
111	Savola Group Company	Saudi Arabia	Africa/Middle East	Food, Drink & Tobacco	7,034	-3.7%	8.1%	13.8%
112	China Mengniu Dairy Company Limited	Hong Kong	Asia/Pacific	Food, Drink & Tobacco	7,004	20.2%	4.3%	12.7%
113	Essilor International S.A.	France	Europe	Apparel & Accessories	6,728	1.5%	12.8%	10.5%
114	Red Bull GmbH	Austria	Europe	Food, Drink & Tobacco	6,694	2.2%	n/a	8.7%
115	Hankook Tire Co., Ltd.	South Korea	Asia/Pacific	Tires	6,504	0.4%	10.4%	9.6%
116	Mattel, Inc.	United States	North America	Leisure Goods	6,485	1.0%	13.9%	1.8%
117	Groupe Terrena	France	Europe	Food, Drink & Tobacco	6,200	4.2%	0.4%	3.7%
118	The Yokohama Rubber Co., Ltd.	Japan	Asia/Pacific	Tires	6,173	7.5%	5.8%	3.1%
119	Sodiaal Union	France	Europe	Food, Drink & Tobacco	6,132	5.9%	0.6%	11.0%
120	Nippon Suisan Kaisha, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	6,036	6.6%	0.8%	3.6%
121	Perdue Farms, Inc.	United States	North America	Food, Drink & Tobacco	6,000 ^e	0.0%	n/a	5.5%
122	Dr Pepper Snapple Group, Inc.	United States	North America	Food, Drink & Tobacco	5,997	0.0%	10.4%	1.0%
123	Unicharm Corporation	Japan	Asia/Pacific	Personal Care & Household Products	5,989	20.9%	7.3%	11.5%
124	Morinaga Milk Industry Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	5,987	1.4%	0.8%	0.5%
125	Bongrain SA	France	Europe	Food, Drink & Tobacco	5,854	7.9%	1.3%	4.4%
126	Arçelik A.Ş.	Turkey	Africa/Middle East	Home Furnishings & Equipment	5,846	5.1%	5.6%	10.4%
127	Groupe Bigard S.A.	France	Europe	Food, Drink & Tobacco	5,844	0.0%	n/a	12.0%
128	ITC Limited	India	Asia/Pacific	Food, Drink & Tobacco	5,821	11.7%	24.8%	16.5%
129	PT Indofood Sukses Makmur Tbk	Indonesia	Asia/Pacific	Food, Drink & Tobacco	5,773	15.3%	5.9%	8.3%
130	Nintendo Co., Ltd.	Japan	Asia/Pacific	Leisure Goods	5,712	-10.0%	-4.1%	-20.8%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
131	Newell Rubbermaid Inc.	United States	North America	Personal Care & Household Products	5,693	-3.6%	8.3%	-2.5%
132	The J.M. Smucker Company	United States	North America	Food, Drink & Tobacco	5,611	-4.9%	10.1%	8.3%
133	The Clorox Company	United States	North America	Personal Care & Household Products	5,591	-0.6%	10.0%	0.5%
134	Kewpie Corporation	Japan	Asia/Pacific	Food, Drink & Tobacco	5,550	5.1%	2.8%	2.3%
135	TOTO Ltd.	Japan	Asia/Pacific	Home Improvement Products	5,529	16.2%	8.2%	3.6%
136	Groupe SEB	France	Europe	Home Furnishings & Equipment	5,527	2.5%	5.3%	5.2%
137	Orkla ASA	Norway	Europe	Food, Drink & Tobacco	5,489	12.8%	2.3%	-12.8%
138	Megmilk Snow Brand Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	5,444	4.2%	0.5%	ne
139	Rolex SA	Switzerland	Europe	Apparel & Accessories	5,398 ^e	2.0%	n/a	10.8%
140	DMK Deutsches Milchkontor GmbH	Germany	Europe	Food, Drink & Tobacco	5,222	12.0%	1.0%	ne
141	Société Coopérative Agricole et Agro-alimentaire AGRIAL	France	Europe	Food, Drink & Tobacco	5,182	8.1%	0.9%	15.4%
142	Nichirei Corporation	Japan	Asia/Pacific	Food, Drink & Tobacco	5,107	8.7%	1.9%	1.5%
143	Skyworth Digital Holdings Limited	Hong Kong	Asia/Pacific	Electronic Products	5,090	4.4%	3.6%	20.8%
144	La Coop fédérée	Canada	North America	Food, Drink & Tobacco	5,089	6.6%	0.4%	7.5%
145	BANDAI NAMCO Holdings Inc. (formerly Namco Bandai Holdings Inc.)	Japan	Asia/Pacific	Leisure Goods	5,072	4.2%	4.9%	3.6%
146	Kohler Co.	United States	North America	Home Improvement Products	5,000 ^e	0.0%	n/a	-1.9%
147	Kweichow Moutai Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	4,995 [*]	16.9%	51.4%	30.3%
148	Pioneer Corporation	Japan	Asia/Pacific	Electronic Products	4,976	10.2%	0.1%	-2.3%
149	Lorillard, Inc.	United States	North America	Food, Drink & Tobacco	4,972	7.2%	23.7%	7.3%
150	Nisshin Seifun Group Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,954	8.9%	3.2%	1.2%
151	Coca-Cola Amatil Limited	Australia	Asia/Pacific	Food, Drink & Tobacco	4,877	-1.2%	1.6%	4.2%
152	Constellation Brands, Inc.	United States	North America	Food, Drink & Tobacco	4,868	74.1%	39.9%	5.9%
153	Anadolu Efes Biracilik ve Malt Sanayii A.Ş.	Turkey	Africa/Middle East	Food, Drink & Tobacco	4,845 [*]	43.3%	31.0%	20.2%
154	Herbalife Ltd.	United States	North America	Food, Drink & Tobacco	4,825	18.5%	10.9%	15.4%
155	Arca Continental, S.A.B. de C.V.	Mexico	Latin America/Caribbean	Food, Drink & Tobacco	4,736	7.3%	10.3%	24.4%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
156	Ruchi Soya Industries Limited	India	Asia/Pacific	Food, Drink & Tobacco	4,684	-4.9%	0.0%	17.7%
157	Levi Strauss & Co.	United States	North America	Apparel & Accessories	4,682	1.6%	4.9%	1.2%
158	Husqvarna Group	Sweden	Europe	Home Improvement Products	4,655	-1.7%	3.0%	-1.3%
159	Itoham Foods Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,629	5.6%	1.1%	-1.0%
160	Hanesbrands Inc.	United States	North America	Apparel & Accessories	4,628	2.3%	7.1%	1.7%
161	Activision Blizzard, Inc.	United States	North America	Leisure Goods	4,583	-5.6%	22.0%	8.7%
162	Coty Inc.	United States	North America	Personal Care & Household Products	4,552	-2.1%	-1.4%	6.1%
163	Lego A/S	Denmark	Europe	Leisure Goods	4,521	8.4%	24.1%	21.7%
164	Boparan Holdings Limited (aka 2 Sisters Food Group)	United Kingdom	Europe	Food, Drink & Tobacco	4,516	23.3%	1.2%	41.5%
165	Lao Feng Xiang Co., Ltd.	China	Asia/Pacific	Apparel & Accessories	4,514	27.2%	3.4%	27.9%
166	Cheng Shin Rubber Ind. Co., Ltd.	Taiwan	Asia/Pacific	Tires	4,492	2.2%	14.0%	11.8%
167	Dole Food Company, Inc.	United States	North America	Food, Drink & Tobacco	4,480 ^e	5.5%	n/a	-10.1%
168	Bacardi Limited	Bermuda	Latin America/Caribbean	Food, Drink & Tobacco	4,477	0.2%	n/a	0.4%
169	Energizer Holdings, Inc.	United States	North America	Personal Care & Household Products	4,466	-2.2%	9.1%	0.6%
170	Coca-Cola West Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,429	11.7%	3.2%	1.8%
171	Miele & Cie. KG	Germany	Europe	Home Furnishings & Equipment	4,369	2.2%	n/a	3.1%
172	Green Mountain Coffee Roasters, Inc. (now Keurig Green Mountain, Inc.)	United States	North America	Food, Drink & Tobacco	4,358	12.9%	11.1%	54.2%
173	Ito En, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,356	8.4%	2.8%	5.6%
174	Techtronic Industries Co. Ltd.	Hong Kong	Asia/Pacific	Home Improvement Products	4,300	11.6%	5.8%	4.7%
175	Maple Leaf Foods Inc.	Canada	North America	Food, Drink & Tobacco	4,281	-9.4%	11.6%	-3.4%
176	Hisense Electric Co., Ltd.	China	Asia/Pacific	Electronic Products	4,276	14.0%	5.7%	16.5%
177	Barilla Holding S.p.A.	Italy	Europe	Food, Drink & Tobacco	4,248	-18.8%	3.4%	-5.8%
178	Gruma, S.A.B. de C.V.	Mexico	Latin America/Caribbean	Food, Drink & Tobacco	4,245	-15.9%	6.1%	3.9%
179	Molson Coors Brewing Company	United States	North America	Food, Drink & Tobacco	4,206	7.4%	13.6%	-2.5%
180	Tsingtao Brewery Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	4,202	10.3%	7.4%	12.2%
181	Mead Johnson Nutrition Company	United States	North America	Food, Drink & Tobacco	4,201	7.7%	15.6%	7.8%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
182	Nissin Foods Holdings Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,172	9.1%	4.6%	2.9%
183	Fortune Brands Home & Security, Inc.	United States	North America	Home Improvement Products	4,157	15.8%	5.6%	ne
184	McCormick & Company, Inc.	United States	North America	Food, Drink & Tobacco	4,123	2.7%	9.4%	5.4%
185	Yamaha Corporation	Japan	Asia/Pacific	Leisure Goods	4,099	11.8%	5.6%	-2.2%
186	Spectrum Brands Holdings, Inc.	United States	North America	Personal Care & Household Products	4,086	25.6%	-1.4%	8.7%
187	The Hillshire Brands Company	United States	North America	Food, Drink & Tobacco	4,085	4.2%	5.2%	-20.5%
188	Hasbro, Inc.	United States	North America	Leisure Goods	4,082	-0.2%	7.0%	0.3%
189	Lotte Japan Group	Japan	Asia/Pacific	Food, Drink & Tobacco	4,074	-27.8%	3.9%	-1.7%
190	Sapporo Holdings Limited	Japan	Asia/Pacific	Food, Drink & Tobacco	4,057	4.1%	2.4%	6.8%
191	Société L.D.C. SA	France	Europe	Food, Drink & Tobacco	4,034	3.5%	2.6%	9.2%
192	Swarovski AG	Austria	Europe	Apparel & Accessories	4,011	-1.9%	n/a	3.7%
193	Wuliangye Yibin Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	3,993	-9.1%	33.7%	25.5%
194	LG Household & Health Care, Ltd.	South Korea	Asia/Pacific	Personal Care & Household Products	3,980	11.0%	8.5%	11.6%
195	Ashley Furniture Industries, Inc.	United States	North America	Home Furnishings & Equipment	3,850 ^e	4.1%	n/a	5.4%
196	Coca-Cola East Japan Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,825	92.4%	3.1%	12.6%
197	Want Want China Holdings Limited	China	Asia/Pacific	Food, Drink & Tobacco	3,818	13.7%	18.0%	19.7%
198	E. & J. Gallo Winery	United States	North America	Food, Drink & Tobacco	3,800 ^e	5.6%	n/a	4.2%
199	Toyo Tire & Rubber Co., Ltd.	Japan	Asia/Pacific	Tires	3,798	0.1%	3.3%	2.4%
200	Agropur Cooperative	Canada	North America	Food, Drink & Tobacco	3,772	5.2%	1.4%	6.4%
201	The Jones Group, Inc. (now Nine West Holdings, Inc.)	United States	North America	Apparel & Accessories	3,765	-0.9%	-0.5%	0.8%
202	Flowers Foods, Inc.	United States	North America	Food, Drink & Tobacco	3,751	23.1%	6.2%	9.2%
203	Toyo Suisan Kaisha, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,719	8.0%	6.3%	2.9%
204	Fresh Del Monte Produce Inc.	United States	North America	Food, Drink & Tobacco	3,684	7.7%	-0.9%	0.9%
205	Fromageries Bel S.A.	France	Europe	Food, Drink & Tobacco	3,613	2.7%	4.8%	4.2%
206	Lion Corporation	Japan	Asia/Pacific	Personal Care & Household Products	3,612	5.0%	1.9%	0.8%
207	Rosen's Diversified Inc.	United States	North America	Food, Drink & Tobacco	3,600 ^e	2.9%	n/a	7.1%
208	D.E Master Blenders 1753 B.V.	Netherlands	Europe	Food, Drink & Tobacco	3,586 ^e	0.7%	n/a	ne

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
209	Hisense Kelon Electrical Holdings Company Ltd.	China	Asia/Pacific	Home Furnishings & Equipment	3,584	27.9%	5.2%	22.5%
210	Amorepacific Group Co., Ltd.	South Korea	Asia/Pacific	Personal Care & Household Products	3,584	13.5%	9.1%	15.4%
211	Electronic Arts Inc.	United States	North America	Leisure Goods	3,575	-5.8%	0.2%	-3.2%
212	Emmi AG	Switzerland	Europe	Food, Drink & Tobacco	3,560	10.6%	3.7%	4.1%
213	Indesit Company S.p.A.	Italy	Europe	Home Furnishings & Equipment	3,548	-7.4%	0.1%	-3.3%
214	KT&G Corporation	South Korea	Asia/Pacific	Food, Drink & Tobacco	3,516	-4.1%	14.6%	2.9%
215	Total Produce plc	Ireland	Europe	Food, Drink & Tobacco	3,504	8.5%	1.4%	3.2%
216	JELD-WEN, Inc.	United States	North America	Home Improvement Products	3,500	9.4%	n/a	3.8%
217	Mary Kay, Inc.	United States	North America	Personal Care & Household Products	3,500	16.7%	n/a	6.1%
218	Roll Global, LLC	United States	North America	Food, Drink & Tobacco	3,500 ^e	16.7%	n/a	11.7%
219	Yakult Honsha Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,500	9.8%	7.7%	3.6%
220	Cooper Tire & Rubber Company	United States	North America	Tires	3,439	-18.1%	3.9%	3.6%
221	Kikkoman Corporation	Japan	Asia/Pacific	Food, Drink & Tobacco	3,428	14.3%	3.7%	-3.6%
222	Kumho Tire Co., Ltd.	South Korea	Asia/Pacific	Tires	3,403	-9.1%	2.7%	5.1%
223	The TINE Group	Norway	Europe	Food, Drink & Tobacco	3,402	3.0%	3.4%	2.9%
224	Bestseller A/S	Denmark	Europe	Apparel & Accessories	3,380	6.3%	n/a	12.4%
225	The Nisshin Oillio Group, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,368	8.8%	0.9%	0.0%
226	Westfleisch eG	Germany	Europe	Food, Drink & Tobacco	3,332	1.3%	0.3%	4.6%
227	Perfetti Van Melle S.p.A.	Italy	Europe	Food, Drink & Tobacco	3,303	0.0%	n/a	4.7%
228	Controladora Mabe S.A. de C.V.	Mexico	Latin America/Caribbean	Home Furnishings & Equipment	3,300 ^e	-5.0%	n/a	-5.1%
229	Rich Products Corporation	United States	North America	Food, Drink & Tobacco	3,300 ^e	6.5%	n/a	3.3%
230	HKScan Corporation	Finland	Europe	Food, Drink & Tobacco	3,292	-2.7%	0.4%	1.6%
231	ASICS Corporation	Japan	Asia/Pacific	Apparel & Accessories	3,291	26.6%	5.2%	6.4%
232	Vestel Elektronik Sanayi ve Ticaret A.S.	Turkey	Africa/Middle East	Electronic Products	3,276	-17.3%	-1.5%	5.8%
233	Natura Cosméticos S.A.	Brazil	Latin America/Caribbean	Personal Care & Household Products	3,268	10.5%	12.1%	14.1%
234	Fossil Group, Inc.	United States	North America	Apparel & Accessories	3,260	14.1%	11.9%	15.5%
235	Konka Group Co., Ltd.	China	Asia/Pacific	Electronic Products	3,232	9.1%	0.3%	10.4%

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth	FY13 Net Profit Margin	2008-2013 Net Sales CAGR ¹
236	Casio Computer Co., Ltd.	Japan	Asia/Pacific	Electronic Products	3,214	8.1%	5.0%	-9.1%
237	The Schwan Food Company	United States	North America	Food, Drink & Tobacco	3,200 ^e	1.6%	n/a	-1.9%
238	Church & Dwight Co., Inc.	United States	North America	Personal Care & Household Products	3,194	9.3%	12.3%	5.7%
239	World Co., Ltd.	Japan	Asia/Pacific	Apparel & Accessories	3,170	-5.7%	-0.5%	-1.5%
240	NBTY, Inc.	United States	North America	Food, Drink & Tobacco	3,163	5.4%	4.1%	7.7%
241	JVCKENWOOD Corporation	Japan	Asia/Pacific	Electronic Products	3,160	3.2%	-1.9%	0.4%
242	Ezaki Glico Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,151	7.6%	3.8%	1.8%
243	Industrias Bachoco, S.A.B. de C.V.	Mexico	Latin America/Caribbean	Food, Drink & Tobacco	3,116	0.9%	5.1%	14.6%
244	Chocoladefabriken Lindt & Sprüngli AG	Switzerland	Europe	Food, Drink & Tobacco	3,112	8.0%	10.5%	-0.4%
245	Vizio, Inc.	United States	North America	Electronic Products	3,100 ^e	0.0%	n/a	9.1%
246	Citizen Holdings Co., Ltd.	Japan	Asia/Pacific	Apparel & Accessories	3,097	13.9%	5.7%	0.9%
247	Seiko Holdings Corporation	Japan	Asia/Pacific	Apparel & Accessories	3,080	8.6%	2.5%	12.1%
248	Chiquita Brands International, Inc.	United States	North America	Food, Drink & Tobacco	3,057	-0.7%	-0.5%	-3.3%
249	Prima Meat Packers, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,033	10.1%	1.7%	1.9%
250	Nortura SA	Norway	Europe	Food, Drink & Tobacco	3,001	7.5%	0.6%	3.5%

Impact of exchange rates on ranking

The Top 250 Global Powers of Consumer Products have been ranked according to their fiscal 2013 net sales in U.S. dollars. While changes in the overall ranking from year-to-year are generally driven by increases or decreases in companies' sales, fluctuations in exchange rates can also result in changes in the ranking. For example, a stronger currency vis-à-vis the dollar in 2013 means that companies reporting in that currency may rank higher in 2013 than they did in 2012, all other things being equal. Conversely, companies reporting in a weaker currency may rank lower.

Among the major currencies in 2013, the euro strengthened against the dollar, as did China's yuan renminbi to a lesser degree. The Japanese yen, South African rand, Brazilian real, and Indian rupee all depreciated sharply while the British pound was slightly weaker.

¹ Compound annual growth rate

² Nestlé's sales for 2010 - 2013 reflect an accounting change. Comparable sales figures for years prior to 2010 are not available.

n/a = not available

ne = not in existence (created by merger or divestiture)

e = estimate

* Unable to determine if company's reported sales exclude excise taxes

Source: Published company data

Top 250 consumer products companies alphabetical listing

AB Electrolux	44	Cargill Meat Solutions Corporation	32	Dr Pepper Snapple Group, Inc.	122
Acer Incorporated	65	Carlsberg A/S	66	Dr. August Oetker KG	52
Activision Blizzard, Inc.	161	Casio Computer Co., Ltd.	236	E. & J. Gallo Winery	198
Adidas AG	36	Cheng Shin Rubber Ind. Co., Ltd.	166	Electronic Arts Inc.	211
Agropur Cooperative	200	China Mengniu Dairy Company Limited	112	Emmi AG	212
Ajinomoto Co., Inc.	80	Chiquita Brands International, Inc.	248	Energizer Holdings, Inc.	169
Alticor Inc.	67	Chocoladefabriken Lindt & Sprüngli AG	244	Essilor International S.A.	113
Altria Group, Inc.	42	Church & Dwight Co., Inc.	238	Estée Lauder Companies Inc., The	74
Amorepacific Group Co., Ltd.	210	Citizen Holdings Co., Ltd.	246	Ezaki Glico Co., Ltd.	242
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.	153	Clorox Company, The	133	Ferrero Group, The	77
Anheuser-Busch InBev SA/NV	11	Coca-Cola Amatil Limited	151	Flowers Foods, Inc.	202
Apple Inc.	2	Coca-Cola Company, The	9	Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA)	31
Arca Continental, S.A.B. de C.V.	155	Coca-Cola East Japan Co., Ltd.	196	Fortune Brands Home & Security, Inc.	183
Arçelik A.Ş.	126	Coca-Cola Enterprises, Inc.	94	Fossil Group, Inc.	234
Arla Foods amla	61	Coca-Cola HBC AG (formerly Coca-Cola Hellenic Bottling Company S.A.)	87	Fresh Del Monte Produce Inc.	204
Asahi Group Holdings, Ltd.	60	Coca-Cola West Co., Ltd.	170	Fromageries Bel S.A.	205
Ashley Furniture Industries, Inc.	195	Colgate-Palmolive Company	43	General Mills, Inc.	40
ASICS Corporation	231	Compagnie Générale des Établissements Michelin S.C.A.	22	Goodyear Tire & Rubber Company, The	35
ASUSTeK Computer Inc.	49	ConAgra Foods, Inc.	41	Gree Electric Appliances, Inc. of Zhuhai	37
Avon Products, Inc.	82	Constellation Brands, Inc.	152	Green Mountain Coffee Roasters, Inc. (now Keurig Green Mountain, Inc.)	172
Bacardi Limited	168	Controladora Mabe S.A. de C.V.	228	Groupe Bigard S.A.	127
BANDAI NAMCO Holdings Inc. (formerly Namco Bandai Holdings Inc.)	145	Cooper Tire & Rubber Company	220	Groupe Lactalis	28
Barilla Holding S.p.A.	177	Coty Inc.	162	Groupe SEB	136
Bestseller A/S	224	D.E Master Blenders 1753 B.V.	208	Groupe Terrena	117
Bongrain SA	125	Dairy Farmers of America	62	Gruma, S.A.B. de C.V.	178
Boparan Holdings Limited (aka 2 Sisters Food Group)	164	Danish Crown Amla	78	Grupo Bimbo, S.A.B. de C.V.	56
BRF S.A. (formerly BRF - Brasil Foods S.A.)	54	Danone	20	H. J. Heinz Company	69
Bridgestone Corporation	13	Dean Foods Company	89	Haier Group Company	19
British American Tobacco plc	25	Diageo plc	46	Hanesbrands Inc.	160
BSH Bosch und Siemens Hausgeräte GmbH	55	DMK Deutsches Milchkontor GmbH	140	Hangzhou Wahaha Group Co., Ltd.	64
Campbell Soup Company	98	Dole Food Company, Inc.	167	Hankook Tire Co., Ltd.	115

Hasbro, Inc.	188	Kohler Co.	146	Midea Group Co., Ltd.	34
Heineken N.V.	23	Konka Group Co., Ltd.	235	Miele & Cie. KG	171
Henkel AG & Co. KGaA	27	Kraft Foods Group, Inc.	39	MillerCoors LLC	101
Herbalife Ltd.	154	KT&G Corporation	214	Mohawk Industries, Inc.	108
Hershey Company, The	109	Kumho Tire Co., Ltd.	222	Molson Coors Brewing Company	179
Hillshire Brands Company, The	187	Kweichow Moutai Co., Ltd.	147	Mondelēz International, Inc.	14
Hisense Electric Co., Ltd.	176	La Coop fédérée	144	Morinaga Milk Industry Co., Ltd.	124
Hisense Kelon Electrical Holdings Company Ltd.	209	Lao Feng Xiang Co., Ltd.	165	National Beef Packing Company, LLC	104
HKScan Corporation	230	Lego A/S	163	Natura Cosméticos S.A.	233
Hormel Foods Corporation	91	Lenovo Group Limited	12	NBTY, Inc.	240
Husqvarna Group	158	Levi Strauss & Co.	157	Nestlé S.A.	3
Imperial Tobacco Group PLC	26	LG Electronics Inc.	8	Newell Rubbermaid Inc.	131
Indesit Company S.p.A.	213	LG Household & Health Care, Ltd.	194	NH Foods Ltd. (formerly Nippon Meat Packers, Inc.)	72
Industrias Bachoco, S.A.B. de C.V.	243	Lion Corporation	206	Nichirei Corporation	142
Inner Mongolia Yili Industrial Group Co., Ltd.	102	LIXIL Group Corporation	47	NIKE, Inc.	21
ITC Limited	128	L'Oréal S.A.	18	Nikon Corporation	81
Ito En, Ltd.	173	Lorillard, Inc.	149	Nintendo Co., Ltd.	130
Itoham Foods Inc.	159	Lotte Japan Group	189	Nippon Suisan Kaisha, Ltd.	120
J.M. Smucker Company, The	132	Luxottica Group S.p.A.	83	Nisshin Oillio Group, Ltd., The	225
Japan Tobacco Inc.	24	Maple Leaf Foods Inc.	175	Nisshin Seifun Group Inc.	150
Jarden Corporation	107	Marfrig Global Foods S.A. (formerly Marfrig Alimentos S.A.)	92	Nissin Foods Holdings Co., Ltd.	182
JBS S.A.	10	Mars, Incorporated	16	Nortura SA	250
JELD-WEN, Inc.	216	Maruha Nichiro Holdings, Inc.	93	Orkla ASA	137
Jones Group, Inc. (now Nine West Holdings, Inc.), The	201	Mary Kay, Inc.	217	PepsiCo, Inc.	6
JVCKENWOOD Corporation	241	Masco Corporation	96	Perdue Farms, Inc.	121
Kao Corporation	59	Mattel, Inc.	116	Perfetti Van Melle S.p.A.	227
Kellogg Company	51	Maxingvest AG	63	Pernod Ricard S.A.	76
Kewpie Corporation	134	Mccain Foods Limited	110	Philip Morris International Inc.	17
Kikkoman Corporation	221	McCormick & Company, Inc.	184	Pioneer Corporation	148
Kimberly-Clark Corporation	29	Mead Johnson Nutrition Company	181	Pirelli & C. S.p.A.	97
Kirin Holdings Company, Limited	33	Megmilk Snow Brand Co., Ltd.	138	Prima Meat Packers, Ltd.	249
		Meiji Holdings Co., Ltd.	68	Procter & Gamble Company, The	4

PT Indofood Sukses Makmur Tbk	129	Swarovski AG	192
PVH Corp.	95	Swatch Group Ltd., The	88
Ralph Lauren Corporation	105	TCL Corporation	57
Reckitt Benckiser Group plc	48	Techtronic Industries Co. Ltd.	174
Red Bull GmbH	114	TINE Group, The	223
Reynolds American Inc.	100	Tingyi (Cayman Islands) Holding Corp.	75
Rich Products Corporation	229	Tönnies Lebensmittel GmbH & Co. KG	106
Rolex SA	139	Total Produce plc	215
Roll Global, LLC	218	TOTO Ltd.	135
Rosen's Diversified Inc.	207	Toyo Suisan Kaisha, Ltd.	203
Royal FrieslandCampina N.V.	50	Toyo Tire & Rubber Co., Ltd.	199
Ruchi Soya Industries Limited	156	Tsingtao Brewery Co., Ltd.	180
S.C. Johnson & Son, Inc.	84	Tyson Foods, Inc.	15
SABMiller plc	45	Unicharm Corporation	123
Samsung Electronics Co., Ltd.	1	Unilever Group	7
Sapporo Holdings Limited	190	Uni-President Enterprises Corp.	53
Saputo Inc.	90	V.F. Corporation	70
Savola Group Company	111	Vestel Elektronik Sanayi ve Ticaret A.Ş.	232
Schwan Food Company, The	237	Vion Holding N.V.	86
Seiko Holdings Corporation	247	Vizio, Inc.	245
Shiseido Company, Limited	103	Want Want China Holdings Limited	197
Sichuan Changhong Electric Co., Ltd	85	Westfleisch eG	226
Skyworth Digital Holdings Limited	143	WH Group Limited	71
Société Coopérative Agricole et Agro-alimentaire AGRIAL	141	Whirlpool Corporation	38
Société L.D.C. SA	191	World Co., Ltd.	239
Sodiaal Union	119	Wuliangye Yibin Co., Ltd.	193
Sony Corporation	5	Yakult Honsha Co., Ltd.	219
Spectrum Brands Holdings, Inc.	186	Yamaha Corporation	185
Stanley Black & Decker, Inc.	73	Yamazaki Baking Co., Ltd.	79
Sumitomo Rubber Industries, Ltd.	99	Yokohama Rubber Co., Ltd., The	118
Suntory Holdings Limited	30		
Svenska Cellulosa AB SCA	58		

Top 250 highlights

Consumer products industry rides out another year of global economic recalibration in 2013

As a whole, 2013 was another challenging year for the global economy as it tried to gain a surer footing. Europe remained in recession during most of 2013, although it began to recover modestly by the end of the year and heading into 2014—but growth remained poor. The U.S. economy grew slowly in 2013 largely due to a tightening of fiscal policy. While the economy strengthened in Japan, supported by improved exports and the government's massive economic stimulus measures, the Chinese economy decelerated in 2013, and similar slow growth continued into 2014. Economic growth also cooled in several Latin American countries as they faced the end of China's commodity boom, weaker domestic demand, social unrest, and other downward pressures. Overall, recovery by many economies around the globe continued to be jagged and weak.

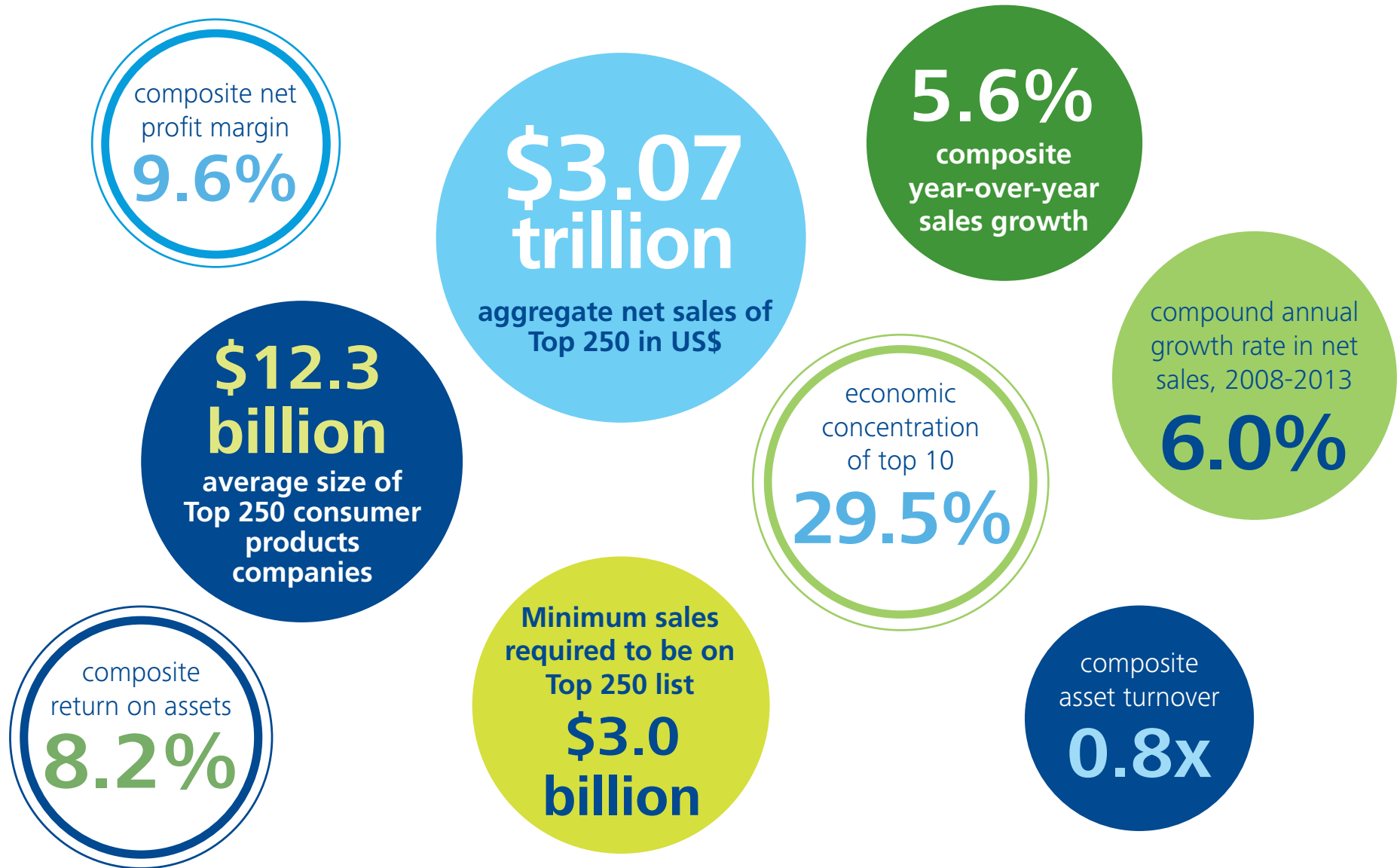
Although the global economy once again grew at a slower rate than had been expected, composite, currency-adjusted net sales rose 5.6 percent in 2013 for the Global Powers of Consumer Products—the world's 250 largest consumer products companies. Three-quarters of the Top 250 reported a sales increase in 2013, and half (125 companies) reported faster growth in 2013 compared with 2012. Accelerating growth, however, was not a trend seen across all geographic regions or product sectors.

On the bottom line, profitability strengthened in 2013 for the second year in a row. The composite net profit margin rose to 9.6 percent (based on 217 companies that reported their net profits), exceeding for the first time the 8.5 percent result achieved in 2010 when the industry began its post-recession rebound. The vast majority of reporting companies operated profitably in 2013 (202 companies); only 15 of the 217 reporting companies generated a net loss. In addition, net profit margins improved for the majority of reporting companies. Although asset turnover fell slightly in 2013, the improvement in profitability generated a higher 8.2 percent return on assets.

With an average size of US\$12.3 billion, the Top 250 consumer products companies generated sales of nearly US\$3.1 trillion in 2013. This is down slightly from 2012's Top 250 sales total due to changes in the composition of the group. In 2013, Panasonic, Nokia, and Blackberry (formerly Research In Motion) were excluded from the Top 250 because consumer products no longer make up the majority of their sales.

Net sales of at least US\$3 billion were necessary to rank in the Top 250 in 2013. Nearly 70 percent of the companies generated sales of less than US\$10 billion: 104 companies had sales between US\$3 billion and US\$5 billion, while 68 companies achieved sales between US\$5 billion and US\$10 billion. Less than 10 percent of the Top 250 reported sales of more than US\$25 billion (23 companies).

Top 250 quick stats



Top 10

Top 10 consumer products companies

Sales Rank FY13	Company Name	Country of Origin	Region	Primary Product Sector	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth*	FY13 Net Profit Margin**	FY13 Return on Assets**	2008-2013 Net Sales CAGR***
1	Samsung Electronics Co., Ltd.	South Korea	Asia/Pacific	Electronic Products	210,397	13.7%	13.3%	14.2%	13.5%
2	Apple Inc.	United States	North America	Electronic Products	170,910	9.2%	21.7%	17.9%	35.4%
3	Nestlé S.A. ¹	Switzerland	Europe	Food, Drink & Tobacco	99,485	2.7%	11.3%	8.7%	n/a
4	The Procter & Gamble Company	United States	North America	Personal Care & Household Products	83,062	-1.3%	14.2%	8.2%	1.0%
5	Sony Corporation	Japan	Asia/Pacific	Electronic Products	66,756	17.4%	-0.9%	-0.4%	-1.2%
6	PepsiCo, Inc.	United States	North America	Food, Drink & Tobacco	66,415	1.4%	10.2%	8.8%	9.0%
7	Unilever Group	Netherlands and U.K.	Europe	Personal Care & Household Products	66,143	-3.0%	10.6%	11.6%	4.2%
8	LG Electronics Inc.	South Korea	Asia/Pacific	Electronic Products	53,489	14.1%	0.4%	0.6%	-1.7%
9	The Coca-Cola Company	United States	North America	Food, Drink & Tobacco	46,854	-2.4%	18.4%	9.6%	8.0%
10	JBS S.A.	Brazil	Latin America/ Caribbean	Food, Drink & Tobacco	43,306	22.7%	1.2%	1.6%	25.1%
Top 10					\$906,818	7.7%	12.0%	9.8%	10.1%
Top 250					\$3,073,118	5.6%	9.6%	8.2%	6.0%
Economic Concentration of Top 10					29.5%				

Source: Published company data

* Top 10 and Top 250 sales growth figures are sales-weighted, currency-adjusted composites

** Top 10 and Top 250 figures are sales-weighted composites

*** Compound annual growth rate

¹Nestlé's sales for 2010 - 2013 reflect an accounting change. Comparable sales figures for years prior to 2010 are not available.

World's largest meat processor JBS joins top 10

In 2013, JBS, the world's biggest meat processor, moved into the Global Powers of Consumer Products top 10 for the first time. The company's acquisition-driven growth has propelled it rapidly up the ranking since it first joined the Top 250 in 2007 at #103 after acquiring Swift & Company. This was followed by the purchase of the Smithfield Beef Group from Smithfield Foods in 2008, a majority stake in Pilgrim's Pride in 2009, a merger with Grupo Bertin in 2009, as well as numerous smaller deals. In September 2013, the company completed the acquisition of Grupo Zenda and Seara Alimentos from Marfrig Alimentos for a total consideration of R\$5.85 billion (US\$2.76 billion).

Despite the acquisition spree, the company's entry into the top 10 was made possible only because Panasonic Corporation (#4 in 2012) was excluded from consideration in 2013, making room for JBS to join the leader board. More than 70 percent of Panasonic's total sales were derived from areas outside consumer electronics during the fiscal year ended 31 March 2014, and less than half came from the sale of consumer products as the scope of the company's activities has expanded into wide-ranging B2B sectors.

The other top 10 consumer products companies remained the same as in the prior year. However PepsiCo moved ahead of Unilever into sixth place and LG surpassed Coca-Cola to take eighth place.

The top 10 accounted for nearly 30 percent of total Top 250 net sales in 2013 as the leaders' composite growth rate continued

to outpace the group as a whole, reaching the highest level of economic concentration since Deloitte began tracking the industry's Global Powers in 2006. On a composite basis, the world's 10 largest consumer products companies grew 7.7 percent compared with 5.6 percent for the Top 250 companies as a whole.

Still, three top 10 companies saw their sales decline in 2013. While sales from continuing operations grew modestly for P&G and Unilever—the two personal care and household products companies in the top 10—their total sales fell as the companies continued to divest non-core brands and businesses. In July 2013, P&G completed the divestiture of its Pet Care operations to Mars, Inc. for US\$2.9 billion. During 2013, Unilever sold its global Skipppy peanut butter business to Hormel Foods and its Wish-Bone and Western salad dressing brands to Pinnacle Foods, among other disposals. Coca-Cola's sales decline can be attributed to a mature soft-drinks industry in North America and Europe as well as the deconsolidation of the company's Brazilian and Philippine bottling operations in 2013.

On the bottom line, the top 10 also outperformed the Top 250 with a composite net profit margin of 12.0 percent versus 9.6 percent for the entire group. Seven top 10 companies posted a double-digit net profit margin while only Sony operated at a loss.

Geographic analysis

For purposes of geographical analysis, companies are assigned to a region based on their headquarters location, which may not coincide with where they derive the majority of their sales. Although many companies derive sales from outside their region, 100 percent of each company's sales are accounted for in that company's region. Five regions are used for analysis:

- Africa/Middle East
- Asia/Pacific
- Europe
- Latin America/Caribbean
- North America

Region/country profiles

	Number of companies	Average size (US\$mil)	Share of Top 250 companies	Share of Top 250 sales
Africa/Middle East	4	\$5,250	1.6%	0.7%
Asia/Pacific	86	\$11,727	34.4%	32.8%
Japan	50	\$8,690	20.0%	14.1%
Other Asia/Pac ¹	36	\$15,944	14.4%	18.7%
China/Hong Kong	21	\$10,543	8.4%	7.2%
Europe	62	\$13,056	24.8%	26.3%
France	14	\$11,918	5.6%	5.4%
Germany	9	\$11,383	3.6%	3.3%
UK ²	7	\$23,775	2.8%	5.4%
Latin America/Caribbean	11	\$11,216	4.4%	4.0%
North America	87	\$12,767	34.8%	36.1%
US	82	\$13,192	32.8%	35.2%
Top 250	250	\$12,292	100.0%	100.0%

Source: Deloitte analysis of published company data

¹ Excludes Japan; includes China/Hong Kong

² Includes Unilever, a dual-listed company consisting of Unilever PLC, based in London, and Unilever N.V., based in Rotterdam, Netherlands. The companies operate as a single business.

Europe's growth gap with other regions continues to widen

European consumer products companies continued to struggle in 2013 as top-line growth decelerated amid weak domestic markets and a slowdown in some emerging markets—particularly Latin America and Africa/Middle East. Composite sales grew a meager 1.2 percent for the region's companies, down from 4.0 percent in 2012. Companies based in Europe's big three economies fared even worse. French companies eked out a 0.6 percent increase, while German companies fared only slightly better with 1.6 percent growth. This compares with prior-year growth rates of 6+ percent for both countries. Top-line growth for the UK companies turned negative in 2013 following a 4.8 percent gain in 2012.

Despite deteriorating sales growth, profitability improved from an already-healthy level. On a composite basis, the region posted an 11.0 percent net profit margin, up two percentage points from the prior year. Strong profitability can be attributed, in part, to the number of high-margin drinks, tobacco, and personal care products companies headquartered in the region. This is especially evident in the UK where British companies led the way with a composite 15.0 percent profit margin.

After back-to-back years of double-digit sales increases in 2010 and 2011, composite sales growth for the **North American** companies remained modest in 2013, dipping slightly to 3.6 percent from 4.0 percent the year before. For the third year in a row, however, the region's profit margin expanded. The composite net profit margin was a robust 12.6 percent, the highest of the five geographic regions.

In 2013, sales growth nearly doubled to 10.9 percent for companies based in the **Asia/Pacific** region. The group's overall result was propelled by strong growth among the Japanese companies. With a composite growth rate of 9.1 percent in 2013, Japan's Top 250 consumer products companies finally exceeded the sales level reached in 2008, as demonstrated by the region's positive compound annual growth rate over the 2008-2013 period of 0.9 percent. Sales growth for the Asia/Pacific region was also given a boost by a rebound in 2013 among the Chinese companies following a much softer pace of growth in 2012. China's composite growth rate of 17.5 percent outperformed all other geographic groups.

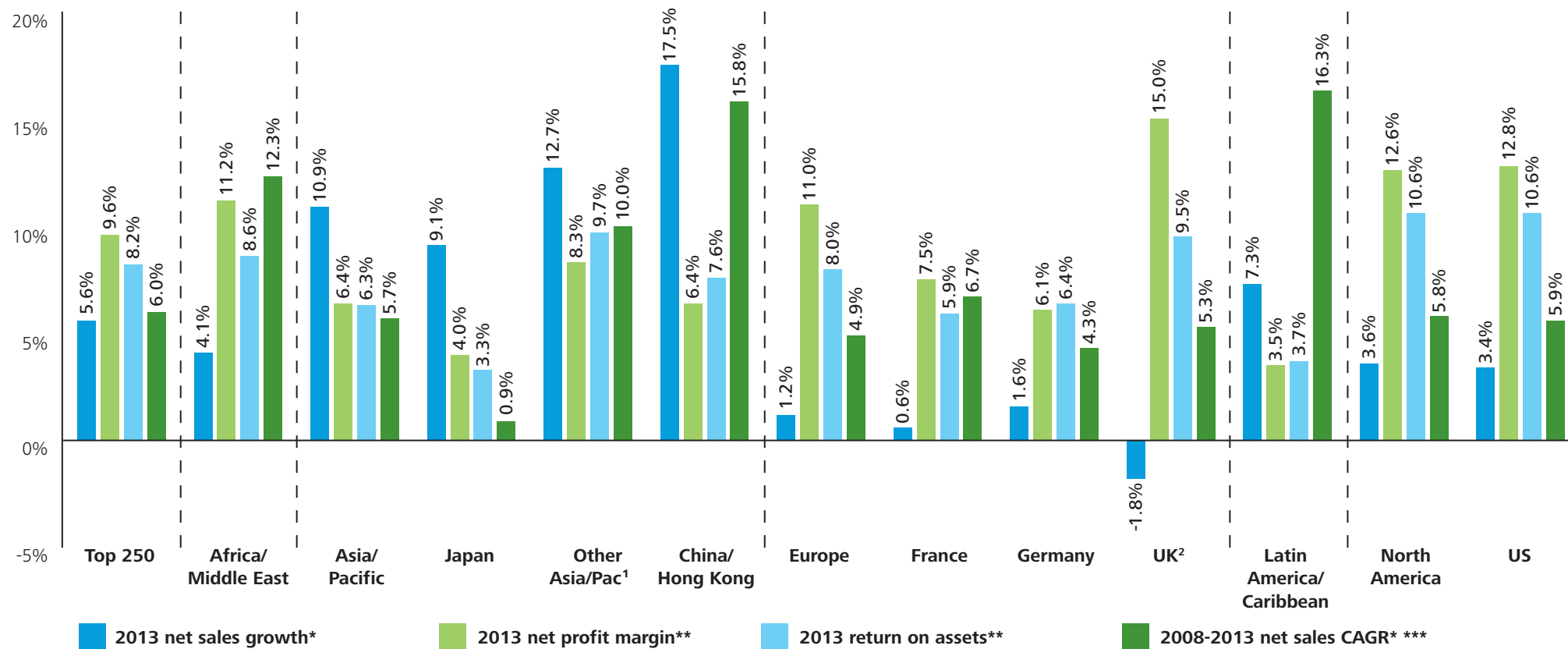
Profitability also increased in the region, aided by an improvement in Japan's bottom line. Nevertheless, the composite net profit margin of 6.4 percent remained well below average compared with the Top 250 as a whole.

Sales for consumer products companies based in **Latin America** experienced a significant slowdown in 2013. The composite growth rate cooled to 7.3 percent—less than half the rate of growth in 2012. While it exceeded the Top 250's 5.6 percent increase, the region's growth was way off the pace of recent years as illustrated by its 5-year compound annual growth rate of 16.3 percent.

Profitability for the 11 Latin American companies that compose the region also was subpar. The composite net profit margin of 3.5 percent in 2013 was down one percentage point from the year before. This reflects the loss of Grupo Modelo from the region's results. In June 2013, Anheuser-Busch InBev completed the purchase of the high-margin Mexican brewer.

In 2013, the composite growth rate for companies based in the **Africa/Middle East** region slowed sharply. At 4.1 percent, this compares unfavorably with the prior-year result of 16.9 percent as well as the region's five-year compound annual growth rate of 12.3 percent. This should be interpreted with caution, however, as only four companies compose the region's results. Sales declined for two of the companies and slowed considerably for another. Only Anadolu Efes, Turkey's largest beverage company, enjoyed brisk growth in 2013 along with surging profits, which boosted the group's composite net profit margin to 11.2 percent.

Performance by region/country



Source: Deloitte analysis of published company data
 * Sales-weighted, currency-adjusted composite growth rates
 ** Sales-weighted composites
 *** Compound annual growth rate

¹ Excludes Japan; includes China/Hong Kong

² Includes Unilever, a dual-listed company consisting of Unilever PLC, based in London, and Unilever N.V., based in Rotterdam, Netherlands. The companies operate as a single business.

Top consumer products companies by region

Top 10 European consumer products companies

Company Name	Europe rank	Top 250 rank	Product Sector	Country	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Nestlé S.A.	1	3	Food, Drink & Tobacco	Switzerland	99,485	2.7%
Unilever Group	2	7	Personal Care & Household Products	Netherlands and UK	66,143	-3.0%
Anheuser-Busch InBev SA/NV	3	11	Food, Drink & Tobacco	Belgium	43,195	8.6%
L'Oréal S.A.	4	18	Personal Care & Household Products	France	30,519	2.3%
Danone	5	20	Food, Drink & Tobacco	France	28,289	2.1%
Compagnie Générale des Établissements Michelin S.C.A.	6	22	Tires	France	26,893	-5.7%
Heineken N.V.	7	23	Food, Drink & Tobacco	Netherlands	25,507	4.5%
British American Tobacco plc	8	25	Food, Drink & Tobacco	United Kingdom	23,879	0.5%
Imperial Tobacco Group PLC	9	26	Food, Drink & Tobacco	United Kingdom	22,780	-0.6%
Henkel AG & Co. KGaA	10	27	Personal Care & Household Products	Germany	21,724	-0.9%

Food, drink, and tobacco manufacturers along with makers of personal care and household products dominated **Europe's** largest consumer products companies, accounting for nine of the top 10 in 2013. Nestlé remained the undisputed leader with nearly \$100 billion in sales. The biggest change from the prior year's top 10 roster was the absence of Nokia, which is no longer primarily a consumer products company following the sale of its smart devices and mobile phones business to Microsoft in April 2014. This change allowed Germany's Henkel, a manufacturer of personal and household products, to join the region's top 10 for the first time.

Top 10 North American consumer products companies

Company Name	North America rank	Top 250 rank	Product Sector	Country	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Apple Inc.	1	2	Electronic Products	United States	170,910	9.2%
The Procter & Gamble Company	2	4	Personal Care & Household Products	United States	83,062	-1.3%
PepsiCo, Inc.	3	6	Food, Drink & Tobacco	United States	66,415	1.4%
The Coca-Cola Company	4	9	Food, Drink & Tobacco	United States	46,854	-2.4%
Mondelez International, Inc.	5	14	Food, Drink & Tobacco	United States	35,299	0.8%
Tyson Foods, Inc.	6	15	Food, Drink & Tobacco	United States	34,374	3.3%
Mars, Incorporated	7	16	Food, Drink & Tobacco	United States	33,000 ^e	0.0%
Philip Morris International Inc.	8	17	Food, Drink & Tobacco	United States	31,217	-0.5%
NIKE, Inc.	9	21	Apparel & Accessories	United States	27,799	9.8%
Kimberly-Clark Corporation	10	29	Personal Care & Household Products	United States	21,152	0.4%

In 2013, *North America's* top 10 remained the same in name and order as the year before. However, top-ranked Apple continued to increase its lead over the region's other consumer products manufacturers and is now more than twice the size of second-place P&G. North America's top 10 are all U.S.-based companies. Canada's largest consumer products company is Saputo, a dairy processor with sales approaching US\$8.8 billion in 2013.

Top 10 Asia/Pacific consumer products companies

Company Name	Asia/Pacific rank	Top 250 rank	Product Sector	Country	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Samsung Electronics Co., Ltd.	1	1	Electronic Products	South Korea	210,397	13.7%
Sony Corporation	2	5	Electronic Products	Japan	66,756	17.4%
LG Electronics Inc.	3	8	Electronic Products	South Korea	53,489	14.1%
Lenovo Group Limited	4	12	Electronic Products	Hong Kong	38,707	14.3%
Bridgestone Corporation	5	13	Tires	Japan	36,609	17.4%
Haier Group Company	6	19	Home Furnishings & Equipment	China	29,127	10.5%
Japan Tobacco Inc.	7	24	Food, Drink & Tobacco	Japan	23,974	13.2%
Suntory Holdings Limited	8	30	Food, Drink & Tobacco	Japan	20,932	10.2%
Kirin Holdings Company, Limited	9	33	Food, Drink & Tobacco	Japan	19,943	3.9%
Midea Group Co., Ltd.	10	34	Home Furnishings & Equipment	China	19,544	17.9%

Electronics companies occupy the first four places in the *Asia/Pacific* top 10. However, there is one fewer electronics company on the list in 2013 with the exclusion of Panasonic Corporation. As with Europe's Nokia, consumer products no longer account for the majority of either company's sales. The elimination of Panasonic made room at the bottom of the list for a new top 10 company, Chinese appliance maker Midea Group. Meanwhile, Lenovo Group continued to move up in the ranking overtaking Bridgestone in 2013. With the acquisitions of Motorola Mobility from Google and IBM's x86 server business in 2014, Lenovo may become one of the 10 largest consumer products companies in the world in the near future.

Top 10 Latin American/Caribbean consumer products companies

Company Name	Latin America/ Caribbean rank	Top 250 rank	Product Sector	Country	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
JBS S.A.	1	10	Food, Drink & Tobacco	Brazil	43,306	22.7%
Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA)	2	31	Food, Drink & Tobacco	Mexico	20,149	8.4%
BRF S.A. (formerly BRF - Brasil Foods S.A.)	3	54	Food, Drink & Tobacco	Brazil	14,227	7.0%
Grupo Bimbo, S.A.B. de C.V.	4	56	Food, Drink & Tobacco	Mexico	13,812	1.7%
Marfrig Global Foods S.A. (formerly Marfrig Alimentos S.A.)	5	92	Food, Drink & Tobacco	Brazil	8,741	-21.0%
Arca Continental, S.A.B. de C.V.	6	155	Food, Drink & Tobacco	Mexico	4,736	7.3%
Bacardi Limited	7	168	Food, Drink & Tobacco	Bermuda	4,477	0.2%
Gruma, S.A.B. de C.V.	8	178	Food, Drink & Tobacco	Mexico	4,245	-15.9%
Controladora Mabe S.A. de C.V.	9	228	Home Furnishings & Equipment	Mexico	3,300 ^e	-5.0%
Natura Cosméticos S.A.	10	233	Personal Care & Household Products	Brazil	3,268	10.5%

All but two of *Latin America's* Top 250 companies are food processors or beverage makers. Top-ranked JBS became the world's tenth-largest consumer products company in 2013 as noted in the global top 10 discussion above (see: World's largest meat processor JBS joins top 10). Grupo Modelo, which ranked sixth in the region in 2012, was acquired by Anheuser-Busch InBev in June 2013, and its results are now consolidated under its new parent company. This allowed Brazilian cosmetics and skin care manufacturer Natura Cosméticos to rejoin the region's top 10. Arca Continental, the second-largest bottler of Coca-Cola products in Latin America (behind Coca-Cola FEMSA), surpassed both Bacardi and Gruma, moving into sixth place in 2013.

Top Africa/Middle East consumer products companies

Company Name	Africa/ME rank	Top 250 rank	Product Sector	Country	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Savola Group Company	1	111	Food, Drink & Tobacco	Saudi Arabia	7,034	-3.7%
Arçelik A.Ş.	2	126	Home Furnishings & Equipment	Turkey	5,846	5.1%
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.	3	153	Food, Drink & Tobacco	Turkey	4,845*	43.3%
Vestel Elektronik Sanayi ve Ticaret A.Ş.	4	232	Electronic Products	Turkey	3,276	-17.3%

Source: Published company data
e = estimate

* Unable to determine if company's reported sales exclude excise taxes

Four Top 250 consumer products companies compose the **Africa/Middle East** region with Savola, a multinational food group based in Saudi Arabia, still occupying the top spot. The region's three other companies are headquartered in Turkey. Sales soared 43.3 percent for Anadolu Efes, Turkey's largest brewer, following the consolidation in 2013 of Coca-Cola İçecek (CCI), which is responsible for the conduct of the group's Coca-Cola operations in Turkey and abroad. This moved the company ahead of Vestel Elektronik, whose sales fell 17.3 percent primarily as a result of declining exports.

Product sector analysis

For analytical purposes, the Top 250 companies have been organized into eight major product sectors:

- Apparel & accessories
- Electronic products
- Food, drink, and tobacco
- Home furnishings and equipment
- Home improvement products
- Leisure goods
- Personal care and household products
- Tires

Product sector profiles

	Number of companies	Average size (US\$mil)	Share of Top 250 companies	Share of Top 250 sales
Apparel & accessories	20	\$7,297	8.0%	4.7%
Electronic products	18	\$35,081	7.2%	20.5%
Food, drink & tobacco	142	\$10,627	56.8%	49.1%
Home furnishings & equipment	13	\$11,335	5.2%	4.8%
Home improvement products	10	\$6,993	4.0%	2.3%
Leisure goods	8	\$4,766	3.2%	1.2%
Personal care & household products	28	\$14,438	11.2%	13.2%
Tires	11	\$11,548	4.4%	4.1%
Top 250	250	\$12,292	100.0%	100.0%

Source: Deloitte analysis of published company data

Demand up for home-related products in 2013

The *apparel and accessories* sector, which had a strong post-recession rally in 2010 and 2011, continued to lose steam in 2013. Composite net sales grew 6.8 percent in 2013, down from 7.3 percent in 2012. While still a solid result compared with most other industry sectors, the pace of growth is less than half what it was in 2010. Profitability for the group improved slightly compared with the prior year. The sector posted a composite net profit margin of 8.3 percent, below average compared with the Top 250 as a whole, but a one percentage point improvement from 2012's result.

Personal care and household products has been one of the slowest-growing product sectors in recent years, and 2013 was no exception. The combination of weak demand in Western markets and increasing competition resulted in composite sales growth of just 1.6 percent for

the 28 Top 250 companies that made up this sector. Although organic sales rose modestly for P&G and Unilever—the industry's top two players—their total sales declined in 2013 as they continued to shed non-core brands and businesses. Given a boost by ever more granular market segmentation, however, the sector remained highly profitable, enjoying a composite net profit margin of 10.5 percent.

Sales grew at a moderate 4.2 percent pace in 2013 for manufacturers of *food, drink, and tobacco products*, an uptick from 3.8 percent growth in 2012. Despite modest growth, the group remained highly profitable, posting a composite net profit margin of 10.2 percent. However, results varied considerably by subsector, especially on the bottom line.

Although the *beverage group* continued to perform better on the top line than its food and tobacco counterparts—as has historically been the case—composite sales growth fell to 5.2 percent in 2013 from 6.6 percent in 2012. Soft drinks manufacturers, facing softer demand in developed markets, acted as a drag on growth. Nevertheless, profitability for the alcoholic and non-alcoholic drinks makers remained robust. With a composite net profit margin of 16.1 percent, this group's bottom line result was second only to the tobacco companies.

Sales growth recovered a bit for both the food and tobacco subsectors in 2013. *Food processors* reported composite sales growth of 4.1 percent, an increase of one percentage point over the prior year. The group's bottom line also continued to strengthen—posting a composite net profit margin of 5.8 percent. However, food processing is by far a lower-margin business compared with drinks and tobacco companies.

As the sale of cigarettes continues to fall in developed markets and the industry scrambles to take advantage of the booming e-cigarette business, *tobacco* companies faced a slow-growth market again in 2013. Sales rose 2.7 percent for the nine companies that made up this subsector. Still, the industry continued to be highly profitable, reporting a net profit margin of 21.6 percent in 2013.

Food, drink & tobacco: performance by subsector

	Number of companies	Average size (US\$mil)	FY13 Net Sales Growth*	FY13 Net Profit Margin**	FY13 Return on Assets**	2008-2013 net sales CAGR* ***
Beverages	32	\$11,531	5.2%	16.1%	8.2%	6.7%
Food processing	101	\$9,884	4.1%	5.8%	6.3%	5.2%
Tobacco	9	\$15,747	2.7%	21.6%	12.9%	4.8%
Food, drink & tobacco	142	\$10,627	4.2%	10.2%	8.0%	5.5%

Source: Deloitte analysis of published company data

* Sales-weighted, currency-adjusted composite growth rates

** Sales-weighted composites

*** Compound annual growth rate

As a group, the *consumer electronics* product sector had another good year in 2013 with sales up 11.2 percent on a composite basis coupled with strong profitability. However, if Panasonic and Nokia—excluded from the Top 250 in 2013—are factored out of the prior-year's results, the rate of growth slowed considerably compared with 2012. Sales for industry leader Samsung grew 13.7 percent in 2013, down from 21.9 percent in 2012. The sector's second-largest player, Apple, was unable to sustain the dramatic 40+ percent growth it achieved in each of the preceding five years as its sales cooled to just 9.2 percent in 2013. The 18 companies that composed the sector posted a composite net profit margin of 10.5 percent.

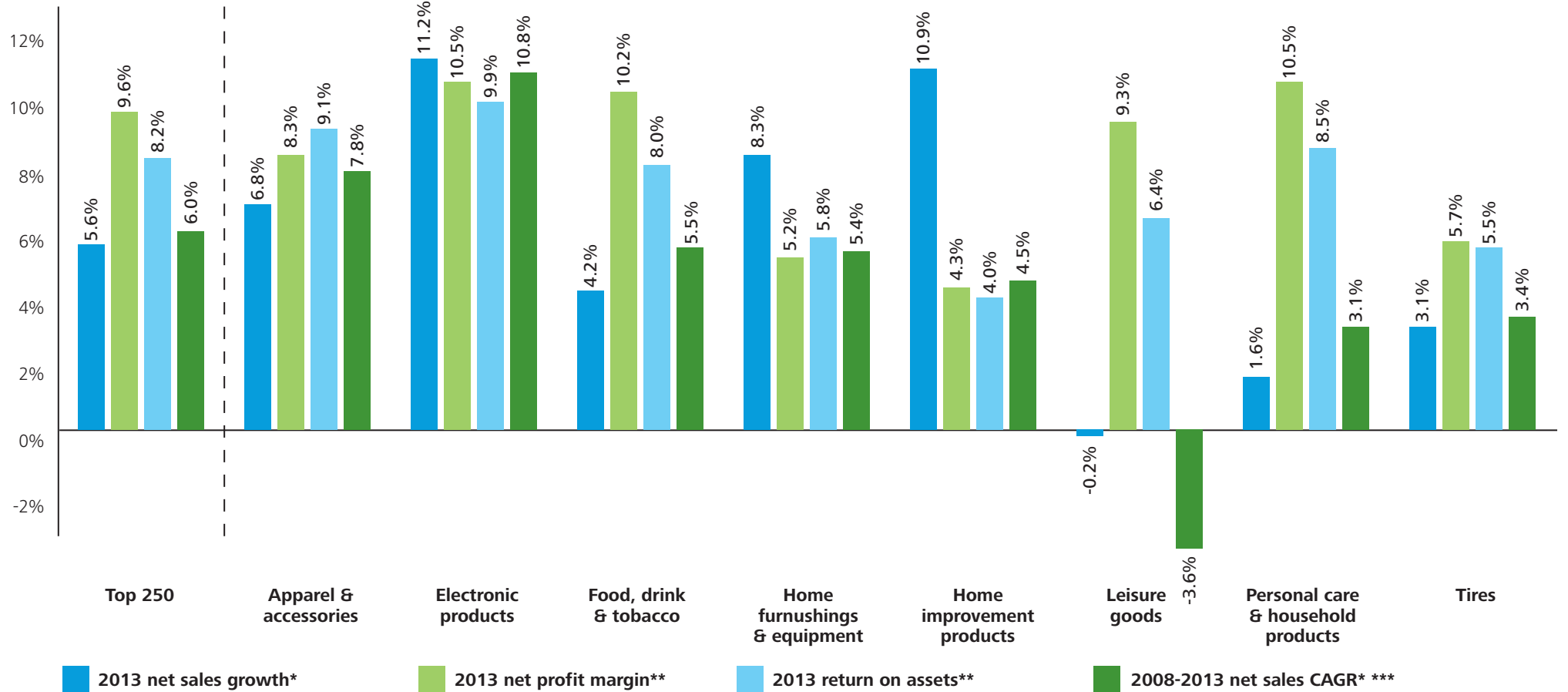
The pace of growth was nearly three times stronger for manufacturers of *home furnishings and equipment* in 2013 as composite sales rose 8.3 percent. This was driven largely by the double-digit growth rates of four Chinese companies: Haier, Midea, Gree, and Hisense. The sector's composite net profit margin remained fairly modest at 5.2 percent of revenue, as is typical for this group made up primarily of household appliance manufacturers.

Home improvement companies also rebounded in 2013. Sales grew 10.9 percent, more than double the rate of growth in 2012. Growth accelerated for eight of the sector's ten companies. The group's bottom line also continued to improve. However, it remained the least profitable of all the product sectors with a composite net profit margin of 4.3 percent.

Top-line growth for the struggling *leisure goods* sector was back in negative territory in 2013 after a brief respite in 2012. Sales for the eight companies that make up the group fell 0.2 percent, dragged down primarily by Nintendo, which suffered declining sales for the fifth year in a row. Including Nintendo, half of the sector's players reported lower sales in 2013. On the other hand, with the exception of Nintendo and Electronic Arts, profits held up quite well. The group posted a composite net profit margin of 9.3 percent.

The *tire* sector continued to lag in 2013. Sales fell for four of the eleven tire manufacturers while growth slowed considerably for another four. Overall, sales rose 3.1 percent in 2013, an improvement over the sluggish 1.8 percent increase the prior year. Once again, all 11 companies turned a profit.

Performance by product sector



Source: Deloitte analysis of published company data

* Sales-weighted, currency-adjusted composite growth rates

** Sales-weighted composites

*** Compound annual growth rate

Top consumer products companies by product sector

Top 10 apparel & accessories companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
NIKE, Inc.	1	21	United States	North America	27,799	9.8%
adidas AG	2	36	Germany	Europe	19,249	-2.6%
V.F. Corporation	3	70	United States	North America	11,420	5.0%
Luxottica Group S.p.A.	4	83	Italy	Europe	9,713	3.2%
The Swatch Group Ltd.	5	88	Switzerland	Europe	9,128	8.5%
PVH Corp.	6	95	United States	North America	8,186	35.5%
Ralph Lauren Corporation	7	105	United States	North America	7,450	7.3%
Essilor International S.A.	8	113	France	Europe	6,728	1.5%
Rolex SA	9	139	Switzerland	Europe	5,398 ^e	2.0%
Levi Strauss & Co.	10	157	United States	North America	4,682	1.6%

The composition of the *apparel and accessories* top 10 did not change in 2013, with Nike at the top. However, PVH rose two places in the ranking to sixth place following the acquisition of The Warnaco Group in February 2013. Otherwise, the rank order remained the same as the year before. All companies on the roster are American or European, and most represent iconic consumer brands.

Top 10 electronic products companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Samsung Electronics Co., Ltd.	1	1	South Korea	Asia/Pacific	210,397	13.7%
Apple Inc.	2	2	United States	North America	170,910	9.2%
Sony Corporation	3	5	Japan	Asia/Pacific	66,756	17.4%
LG Electronics Inc.	4	8	South Korea	Asia/Pacific	53,489	14.1%
Lenovo Group Limited	5	12	Hong Kong	Asia/Pacific	38,707	14.3%
ASUSTeK Computer Inc.	6	49	Taiwan	Asia/Pacific	15,636	3.3%
TCL Corporation	7	57	China	Asia/Pacific	13,784	22.9%
Acer Incorporated	8	65	Taiwan	Asia/Pacific	12,154	-16.2%
Nikon Corporation	9	81	Japan	Asia/Pacific	9,796	-3.0%
Sichuan Changhong Electric Co., Ltd	10	85	China	Asia/Pacific	9,511	12.5%

Samsung and Apple, the world's two largest *consumer electronics* companies, stand apart from the sector's other top 10 companies, being several times the size of their nearest competitors. Samsung, with US\$210 billion in sales in 2013, and Apple, with sales of US\$171 billion, also have the distinction of being the two largest consumer products companies in the world. In addition, Apple is noteworthy for being the only top 10 consumer electronics company that is not based in Asia. However it is also worth noting that Apple's 9.2 percent sales growth in 2013 is its slowest in more than a decade as strong growth for most of the company's products was partially offset by a decline in sales of Mac and iPod and much slower growth of iPad.

As already noted, Panasonic and Nokia—both ranked among the electronic products sector's top 10 in the past—were removed from the Top 250 in 2013 as these companies no longer derive the majority of their sales from consumer products. TCL, one of China's leading makers of cell phones, and Changhong, one of the largest manufacturers of televisions in China, filled the vacated positions on the roster in seventh and tenth place, respectively.

Top 10 food, drink & tobacco companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Nestlé S.A.	1	3	Switzerland	Europe	99,485	2.7%
PepsiCo, Inc.	2	6	United States	North America	66,415	1.4%
The Coca-Cola Company	3	9	United States	North America	46,854	-2.4%
JBS S.A.	4	10	Brazil	Latin America	43,306	22.7%
Anheuser-Busch InBev SA/NV	5	11	Belgium	Europe	43,195	8.6%
Mondelez International, Inc.	6	14	United States	North America	35,299	0.8%
Tyson Foods, Inc.	7	15	United States	North America	34,374	3.3%
Mars, Incorporated	8	16	United States	North America	33,000 ^e	0.0%
Philip Morris International Inc.	9	17	United States	North America	31,217	-0.5%
Danone	10	20	France	Europe	28,289	2.1%

The 10 largest *food, drink, and tobacco* companies also are dominated by European and American companies, with the list again headed by Nestlé. The names remained the same as in 2012. The only change among the sector's top 10 in 2013 involved the lone Latin American company, JBS, which continues to drive growth primarily through acquisitions. As a result, the Brazil-based meat processor moved ahead of AB InBev in the ranking and became the tenth-largest consumer products company in the world. With the exceptions of these two companies, the top 10 group reported generally weak sales growth.

Top 10 home furnishings & equipment companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Haier Group Company	1	19	China	Asia/Pacific	29,127	10.5%
Midea Group Co., Ltd.	2	34	China	Asia/Pacific	19,544	17.9%
Gree Electric Appliances, Inc. of Zhuhai	3	37	China	Asia/Pacific	19,164	19.4%
Whirlpool Corporation	4	38	United States	North America	18,769	3.5%
AB Electrolux	5	44	Sweden	Europe	16,763	-0.8%
BSH Bosch und Siemens Hausgeräte GmbH	6	55	Germany	Europe	13,957	7.2%
Arçelik A.Ş.	7	126	Turkey	Africa/Middle East	5,846	5.1%
Groupe SEB	8	136	France	Europe	5,527	2.5%
Miele & Cie. KG	9	171	Germany	Europe	4,369	2.2%
Ashley Furniture Industries, Inc.	10	195	United States	North America	3,850 ^e	4.1%

For the first time in 2013, three Chinese companies topped the list of *home furnishings and equipment* manufacturers, all propelled by double-digit growth rates. All three are makers of household appliances, as are all companies in the top 10 except for Ashley Furniture Industries, which joined the sector's leaderboard in 2013 in tenth place. Ashley Furniture replaced Italy's Indesit Company, whose 2013 sales declined as demand in Europe fell and its Norwegian operation was liquidated. In 2014, Whirlpool acquired control of Indesit, expanding the U.S. company's presence in Europe.

Top 10 home improvement products companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
LIXIL Group Corporation	1	47	Japan	Asia/Pacific	16,270	13.4%
Stanley Black & Decker, Inc.	2	73	United States	North America	11,001	8.0%
Masco Corporation	3	96	United States	North America	8,173	5.5%
Mohawk Industries, Inc.	4	108	United States	North America	7,349	27.0%
TOTO Ltd.	5	135	Japan	Asia/Pacific	5,529	16.2%
Kohler Co.	6	146	United States	North America	5,000 ^e	0.0%
Husqvarna Group	7	158	Sweden	Europe	4,655	-1.7%
Techtronic Industries Co. Ltd.	8	174	Hong Kong	Asia/Pacific	4,300	11.6%
Fortune Brands Home & Security, Inc.	9	183	United States	North America	4,157	15.8%
JELD-WEN, Inc.	10	216	United States	North America	3,500	9.4%

The top 10 *home improvement* companies remained a stable group once again in 2013 with no changes to the companies or to their ranking. The list is dominated by U.S. manufacturers, but it is headed by LIXIL Group, a Japanese supplier of housing and building materials including doors, windows, shutters, kitchen and bathroom fixtures, and tile, among other products.

Top leisure goods companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Mattel, Inc.	1	116	United States	North America	6,485	1.0%
Nintendo Co., Ltd.	2	130	Japan	Asia/Pacific	5,712	-10.0%
BANDAI NAMCO Holdings Inc.	3	145	Japan	Asia/Pacific	5,072	4.2%
Activision Blizzard, Inc.	4	161	United States	North America	4,583	-5.6%
Lego A/S	5	163	Denmark	Europe	4,521	8.4%
Yamaha Corporation	6	185	Japan	Asia/Pacific	4,099	11.8%
Hasbro, Inc.	7	188	United States	North America	4,082	-0.2%
Electronic Arts Inc.	8	211	United States	North America	3,575	-5.8%

The *leisure goods* sector continued to be represented by eight Top 250 companies in 2013. Mattel became the sector's largest company in 2013, finally surpassing Nintendo. Since 2008, the last year that Nintendo saw a sales increase, the company has dropped from 43rd place among the Top 250 to 130th in 2013. Lego Group, which surpassed videogame maker Electronic Arts in 2012, continued to move up in the ranking. Now in fifth place, Lego ranked ahead of Yamaha and Hasbro in 2013.

Top 10 personal care & household products companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
The Procter & Gamble Company	1	4	United States	North America	83,062	-1.3%
Unilever Group	2	7	Netherlands and United Kingdom	Europe	66,143	-3.0%
L'Oréal S.A.	3	18	France	Europe	30,519	2.3%
Henkel AG & Co. KGaA	4	27	Germany	Europe	21,724	-0.9%
Kimberly-Clark Corporation	5	29	United States	North America	21,152	0.4%
Colgate-Palmolive Company	6	43	United States	North America	17,420	2.0%
Reckitt Benckiser Group plc	7	48	United Kingdom	Europe	15,716	5.0%
Svenska Cellulosa AB SCA	8	58	Sweden	Europe	13,672	4.2%
Kao Corporation	9	59	Japan	Asia/Pacific	13,494	7.8%
Maxingvest AG	10	63	Germany	Europe	12,755	-0.1%

The top 10 roster in the *personal care and household products* sector has been fairly stable for several years. The composition of the top 10 remained the same in 2013 as it was in 2012 and 2011, with P&G as the frontrunner. The only change involved the order: Kao Corporation fell from seventh place to ninth as the yen continued to depreciate against the U.S. dollar, which allowed Reckitt Benckiser and SCA to move up. U.S. and European companies accounted for nine of this sector's top 10, Japan's Kao being the only exception.

Top 10 tire companies

Company Name	Product sector rank	Top 250 rank	Country	Region	FY13 Net Sales (US\$mil)	FY13 Net Sales Growth
Bridgestone Corporation	1	13	Japan	Asia/Pacific	36,609	17.4%
Compagnie Générale des Établissements Michelin S.C.A.	2	22	France	Europe	26,893	-5.7%
The Goodyear Tire & Rubber Company	3	35	United States	North America	19,540	-6.9%
Pirelli & C. S.p.A.	4	97	Italy	Europe	8,164	1.2%
Sumitomo Rubber Industries, Ltd.	5	99	Japan	Asia/Pacific	8,009	9.9%
Hankook Tire Co., Ltd.	6	115	South Korea	Asia/Pacific	6,504	0.4%
The Yokohama Rubber Co., Ltd.	7	118	Japan	Asia/Pacific	6,173	7.5%
Cheng Shin Rubber Ind. Co., Ltd.	8	166	Taiwan	Asia/Pacific	4,492	2.2%
Toyo Tire & Rubber Co., Ltd.	9	199	Japan	Asia/Pacific	3,798	0.1%
Cooper Tire & Rubber Company	10	220	United States	North America	3,439	-18.1%

Source: Published company data
e = estimate

Eleven companies comprise the Top 250 *tire* sector. In addition to the top 10 shown here is South Korea's Kumho Tire. Although Asian companies accounted for six of the top 10 (and seven of the 11 total companies), the three largest tire manufacturers paint a more global picture: Japan's Bridgestone retained the top spot, followed by France's Michelin and U.S.-based Goodyear. The other tire companies are considerably smaller than the three leaders. Several changes in the order occurred in 2013, all the result of the weak Japanese yen, which caused Pirelli to move ahead of Sumitomo, Hankook to overtake Yokohama, and Cheng Shin to surpass Toyo.

Top 250 newcomers

Top 250 rank	Company Name	Country of origin	Dominant format	FY13 Net Sales Growth
34	Midea Group Co., Ltd.	China	Home Furnishings & Equipment	17.9%
71	WH Group Limited	Hong Kong	Food, Drink & Tobacco	80.2%
165	Lao Feng Xiang Co., Ltd.	China	Apparel & Accessories	27.2%
196	Coca-Cola East Japan Co., Ltd.	Japan	Food, Drink & Tobacco	92.4%
209	Hisense Kelon Electrical Holdings Company Ltd.	China	Home Furnishings & Equipment	27.9%
218	Roll Global, LLC	United States	Food, Drink & Tobacco	16.7%
234	Fossil Group, Inc.	United States	Apparel & Accessories	14.1%
235	Konka Group Co., Ltd.	China	Electronic Products	9.1%
243	Industrias Bachoco, S.A.B. de C.V.	Mexico	Food, Drink & Tobacco	0.9%

Source: Published company data

Nine companies joined the Top 250 for the first time in 2013, five of which are Chinese

China's *Midea Group* is the highest-ranking newcomer at #34. In September 2013, Midea Group acquired the remaining 58.8 per cent stake in GD Midea Holding Co. that it did not already own. As a result, GD Midea (ranked #80 among the Top 250 in 2012) was no longer a separate entity in 2013. It was replaced by the newly consolidated Midea Group, which debuted on the Shenzhen Stock Exchange on 18 September 2013, making it a fully public company.

Based in Hong Kong, *WH Group* is the largest pork company in the world, with number one positions in China, the United States, and key markets in Europe. The company is a majority shareholder in Henan Shuanghui Investment & Development Co., China's largest meat processing business, and owns Smithfield Foods, a global food company that it acquired in September 2013. It also has a 37% shareholding in Campofrio Food Group, the largest pan-European packaged meat products company. *WH Group* was formerly known as Shuanghui International and renamed itself in January 2014.

Lao Feng Xiang is a Chinese jewelry company engaged in the processing and trading, wholesaling and retailing, and importing and exporting of gold and silver jewelry and related products. The company is accelerating the development pace of its franchise stores.

Coca-Cola East Japan is the largest Coca-Cola bottler in Japan and the fifth largest bottler within the global Coca-Cola system. The company produces, markets, and distributes non-alcoholic, ready-to-drink beverages under the Coca-Cola trademark, as well as a variety of sparkling beverages, ready-to-drink coffees and teas, sports drinks, water, juices and juice drinks, and energy drinks. In July 2013, Coca-Cola Central Japan, Mikuni Coca-Cola Bottling, Tokyo Coca-Cola Bottling, and Tone Coca-Cola Bottling merged to form Coca-Cola East Japan.

Hisense Kelon Electrical Holdings Company is a Chinese manufacturer of refrigerators, freezers, air conditioners, and other household appliances. Qingdao Hisense Air-conditioning Company Limited (Hisense Group) is the company's largest shareholder. At 31 December 2013, it owned 45.22% of Kelon.

Roll Global, a U.S. company, is focused on healthy brands for healthy lifestyles. Products include fresh fruit and tree nuts; floral delivery; and premium beverages such as artesian water, California wines, and pure pomegranate juices and teas. Brands include POM Wonderful, FIJI Water, and Wonderful Pistachios. Wine holdings include JUSTIN Vineyards & Winery and Landmark Vineyards.

Fossil Group is a global design, marketing, and distribution company that specializes in fashion accessories including men's and women's fashion watches and jewelry, handbags and small leather goods, belts, sunglasses, and clothing. The company has developed a multi-brand portfolio of owned and licensed brand names under which it markets its products.

Konka Group is a Chinese manufacturer of consumer electronics and appliances. Its portfolio of products includes televisions, mobile phones, satellite set-top boxes, refrigerators, washing machines, portable speakers, soundbars, and other digital products under the Konka brand.

Industrias Bachoco is Mexico's leading chicken processor. It also produces and distributes eggs, swine, and animal feed and offers turkey and selected value-added beef products.

Fastest 50

The Fastest 50 is based on compound annual sales growth over a five-year period. Between 2008 and 2013, sales grew at a compound rate of 19.3 percent for the world's 50 fastest-growing consumer products manufacturers—more than three times faster than for the Top 250 group as a whole. Just over half (26 companies) were also among the 50 fastest-growing companies in 2013, which required year-over-year growth of at least 12.0 percent.

Green Mountain Coffee Roasters retained its position at the top of the list in 2013, posting a five-year compound annual growth rate of 54.2 percent. In 2006, Green Mountain acquired Keurig, a business specializing in single-cup brewing systems that revolutionized beverage preparation at home and in the workplace and is responsible for much of the company's stellar growth. The acquisition of several coffee roasting companies over the years also contributed to its position as the leader of the Fastest 50 for two years running. In March 2014, the company changed its name to Keurig Green Mountain, creating a single corporate identity for its two strongest brands.

Acquisitions also served as the primary growth driver for *Boparan Holdings Limited* (aka 2 Sisters Food Group), which ranked second among the Fastest 50. Most notably, the UK food processor bought Northern Foods, a UK convenience foods manufacturer, in 2011. More recently, in April 2013, the company acquired Vion's poultry and red-meat business in the UK.

Not surprisingly, the majority of the Fastest 50 (31 companies) are based in emerging markets, including 17 of the 21 Top 250 companies from mainland China and Hong Kong. Seven of the Top 250 newcomers rank among the Fastest 50.

50 fastest-growing consumer products companies, 2008-2013 CAGR¹

CAGR ¹ Rank	Top 250 Rank	Company Name	Country	FY13 Net Sales (US\$mil)	Product Sector	2008-2013 Net Sales CAGR ¹	FY13 Net Sales Growth	FY13 Net Profit Margin
1	172	Green Mountain Coffee Roasters, Inc. (now Keurig Green Mountain, Inc.)	United States	4,358	Food, Drink & Tobacco	54.2%	12.9%	11.1%
2	164	Boparan Holdings Limited (aka 2 Sisters Food Group)	United Kingdom	4,516	Food, Drink & Tobacco	41.5%	23.3%	1.2%
3	2	Apple Inc.	United States	170,910	Electronic Products	35.4%	9.2%	21.7%
4	147	Kweichow Moutai Co., Ltd.	China	4,995*	Food, Drink & Tobacco	30.3%	16.9%	51.4%
5	165	Lao Feng Xiang Co., Ltd.	China	4,514	Apparel & Accessories	27.9%	27.2%	3.4%
6	95	PVH Corp.	United States	8,186	Apparel & Accessories	26.9%	35.5%	1.8%
7	193	Wuliangye Yibin Co., Ltd.	China	3,993	Food, Drink & Tobacco	25.5%	-9.1%	33.7%
8	10	JBS S.A.	Brazil	43,306	Food, Drink & Tobacco	25.1%	22.7%	1.2%
9	92	Marfrig Global Foods S.A. (formerly Marfrig Alimentos S.A.)	Brazil	8,741	Food, Drink & Tobacco	24.8%	-21.0%	-4.8%
10	155	Arca Continental, S.A.B. de C.V.	Mexico	4,736	Food, Drink & Tobacco	24.4%	7.3%	10.3%
11	37	Gree Electric Appliances, Inc. of Zhuhai	China	19,164	Home Furnishings & Equipment	23.1%	19.4%	9.1%
12	209	Hisense Kelon Electrical Holdings Company Ltd.	China	3,584	Home Furnishings & Equipment	22.5%	27.9%	5.2%
13	54	BRF S.A. (formerly BRF - Brasil Foods S.A.)	Brazil	14,227	Food, Drink & Tobacco	21.8%	7.0%	3.5%
14	163	Lego A/S	Denmark	4,521	Leisure Goods	21.7%	8.4%	24.1%
15	12	Lenovo Group Limited	Hong Kong	38,707	Electronic Products	21.0%	14.3%	2.1%
16	143	Skyworth Digital Holdings Limited	Hong Kong	5,090	Electronic Products	20.8%	4.4%	3.6%
17	75	Tingyi (Cayman Islands) Holding Corp.	China	10,941*	Food, Drink & Tobacco	20.7%	18.8%	4.5%
18	153	Anadolu Efes Biracilik ve Malt Sanayii A.Ş.	Turkey	4,845	Food, Drink & Tobacco	20.2%	43.3%	31.0%
19	73	Stanley Black & Decker, Inc.	United States	11,001	Home Improvement Products	20.0%	8.0%	4.5%
20	197	Want Want China Holdings Limited	China	3,818	Food, Drink & Tobacco	19.7%	13.7%	18.0%
21	64	Hangzhou Wahaha Group Co., Ltd.	China	12,649	Food, Drink & Tobacco	19.0%	23.1%	n/a
22	156	Ruchi Soya Industries Limited	India	4,684	Food, Drink & Tobacco	17.7%	-4.9%	0.0%
23	71	WH Group Limited	Hong Kong	11,253	Food, Drink & Tobacco	17.4%	80.2%	-0.6%
24	57	TCL Corporation	China	13,784	Electronic Products	17.3%	22.9%	3.4%
25	102	Inner Mongolia Yili Industrial Group Co., Ltd.	China	7,719	Food, Drink & Tobacco	17.1%	13.8%	6.7%

Source: Published company data

CAGR ¹ Rank	Top 250 Rank	Company Name	Country	FY13 Net Sales (US\$mil)	Product Sector	2007-2013 Net Sales CAGR ¹	FY13 Net Sales Growth	FY13 Net Profit Margin
26	176	Hisense Electric Co., Ltd.	China	4,276	Electronic Products	16.5%	14.0%	5.7%
27	128	ITC Limited	India	5,821	Food, Drink & Tobacco	16.5%	11.7%	24.8%
28	56	Grupo Bimbo, S.A.B. de C.V.	Mexico	13,812	Food, Drink & Tobacco	16.4%	1.7%	2.7%
29	85	Sichuan Changhong Electric Co., Ltd	China	9,511	Electronic Products	16.1%	12.5%	1.3%
30	234	Fossil Group, Inc.	United States	3,260	Apparel & Accessories	15.5%	14.1%	11.9%
31	154	Herbalife Ltd.	United States	4,825	Food, Drink & Tobacco	15.4%	18.5%	10.9%
32	210	Amorepacific Group Co., Ltd.	South Korea	3,584	Personal Care & Household Products	15.4%	13.5%	9.1%
33	141	Société Coopérative Agricole et Agro-alimentaire AGRIAL	France	5,182	Food, Drink & Tobacco	15.4%	8.1%	0.9%
34	243	Industrias Bachoco, S.A.B. de C.V.	Mexico	3,116	Food, Drink & Tobacco	14.6%	0.9%	5.1%
35	233	Natura Cosméticos S.A.	Brazil	3,268	Personal Care & Household Products	14.1%	10.5%	12.1%
36	111	Savola Group Company	Saudi Arabia	7,034	Food, Drink & Tobacco	13.8%	-3.7%	8.1%
37	1	Samsung Electronics Co., Ltd.	South Korea	210,397	Electronic Products	13.5%	13.7%	13.3%
38	11	Anheuser-Busch InBev SA/NV	Belgium	43,195	Food, Drink & Tobacco	12.9%	8.6%	38.2%
39	112	China Mengniu Dairy Company Limited	Hong Kong	7,004	Food, Drink & Tobacco	12.7%	20.2%	4.3%
40	196	Coca-Cola East Japan Co., Ltd.	Japan	3,825	Food, Drink & Tobacco	12.6%	92.4%	3.1%
41	224	Bestseller A/S	Denmark	3,380	Apparel & Accessories	12.4%	6.3%	n/a
42	180	Tsingtao Brewery Co., Ltd.	China	4,202	Food, Drink & Tobacco	12.2%	10.3%	7.4%
43	247	Seiko Holdings Corporation	Japan	3,080	Apparel & Accessories	12.1%	8.6%	2.5%
44	127	Groupe Bigard S.A.	France	5,844	Food, Drink & Tobacco	12.0%	0.0%	n/a
45	166	Cheng Shin Rubber Ind. Co., Ltd.	Taiwan	4,492	Tires	11.8%	2.2%	14.0%
46	218	Roll Global, LLC	United States	3,500 ^e	Food, Drink & Tobacco	11.7%	16.7%	n/a
47	194	LG Household & Health Care, Ltd.	South Korea	3,980	Personal Care & Household Products	11.6%	11.0%	8.5%
48	123	Unicharm Corporation	Japan	5,989	Personal Care & Household Products	11.5%	20.9%	7.3%
49	28	Groupe Lactalis	France	21,252	Food, Drink & Tobacco	11.5%	1.9%	n/a
50	119	Sodiaal Union	France	6,132	Food, Drink & Tobacco	11.0%	5.9%	0.6%
Fastest 50** ***						19.3%	12.5%	13.3%
Top 250** ***						6.0%	5.6%	9.6%

*Unable to determine if company's reported sales exclude excise taxes

Source: Published company data

**Fastest 50 and Top 250 growth rates are sales-weighted, currency-adjusted composites

***Fastest 50 and Top 250 net profit margins are sales-weighted composites

¹Compound annual growth rate

e = estimate

M&A activity

M&A deal volume in consumer products industry on track to set record in 2014

The consumer products industry experienced another strong year of merger and acquisition activity in 2014 that likely will rival or exceed 2013 deal volume once all activity is accounted for. Since bottoming out in 2009, the number of deals has picked up every year, with 1,421 total deals completed by consumer products companies in 2013.

In 2014, 1,295 deals had been reported as of the end of February 2015. However, completed deal trends tend to lag actual M&A activity levels as it can take up to six months for completed deals to be formally reported. As more deals are accounted for and the historical data continues to be updated, the trend line will be revised upward, especially in more recent quarters and for 2014 as a whole. Based on the numbers to date, 2014 is on track to reach or surpass 2013's deal volume.

Unlike deal volume, however, deal values have trended down since 2009—that is until 2013 when the average value rebounded sharply. The decline in deal values through 2012 may be accounted for, at least in part, by bargain hunting opportunities coming out of the global economic slowdown that allowed companies to pick up assets at distressed prices. In 2013, deal values were disclosed for 694 transactions, or nearly half the completed deals reported. With a total deal value for these transactions of almost \$223 billion, the average value was \$321 million. While still down from \$380 million in 2009, average deal value was up nearly 40 percent from 2012. Based on preliminary results for 2014, the average value of reported deals was \$296 million and subject to revision as the data is updated.

M&A activity in the consumer products industry, 2005-2014*

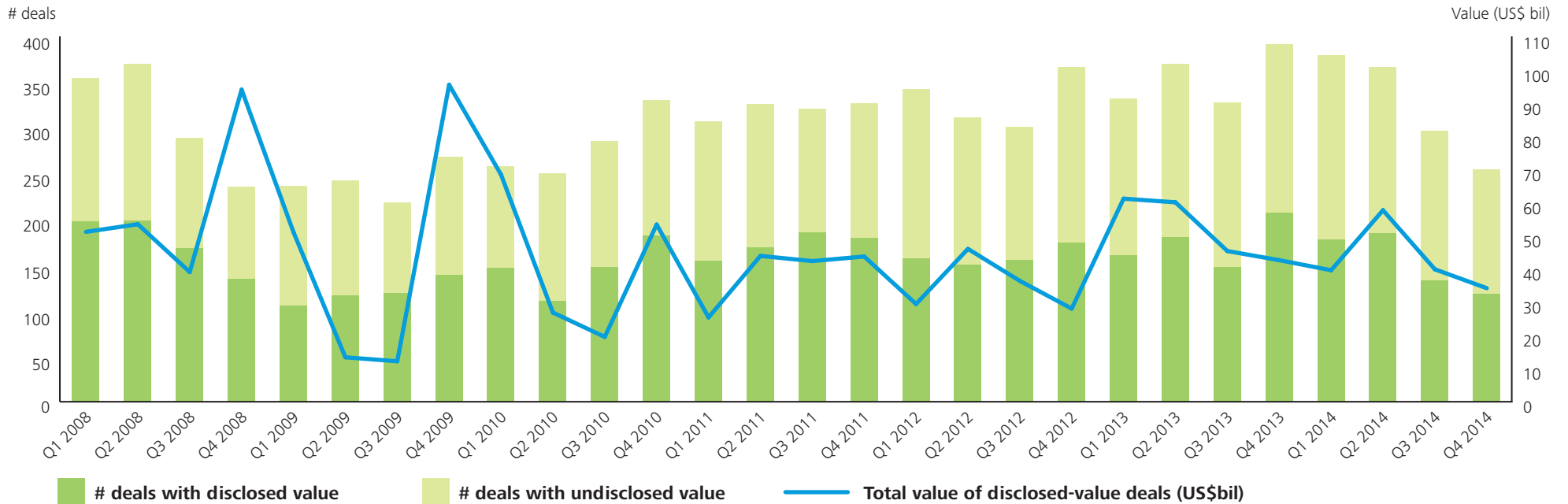
Year	Total # deals	# deals with disclosed value	Total value of disclosed-value deals (US\$mil)	Average value of disclosed-value deals (US\$ mil)	# deals with undisclosed value	# deals with value \$100+ mil	Total value of deals \$100+ mil (US\$mil)	Average value of deals \$100+ mil (US\$mil)
2014*	1295	612	\$181,219	\$296	683	194	\$169,831	\$875
2013	1421	694	\$222,590	\$321	727	228	\$208,358	\$914
2012	1320	636	\$147,096	\$231	684	205	\$133,999	\$654
2011	1281	687	\$163,856	\$239	594	217	\$149,348	\$688
2010	1123	585	\$177,845	\$304	538	184	\$164,478	\$894
2009	964	479	\$182,203	\$380	485	125	\$172,100	\$1,377
2008	1255	703	\$253,989	\$361	552	211	\$238,644	\$1,131
2007	1360	855	\$221,662	\$259	505	261	\$204,229	\$782
2006	1319	831	\$137,068	\$165	488	204	\$118,929	\$583
2005	1116	696	\$204,459	\$294	420	195	\$190,425	\$977

Results reflect deals completed during the calendar year by consumer products companies; acquired companies may be in any industry

* Results for 2014 are preliminary and subject to upward revision

Source: mergermarket.com; accessed February 28, 2015

M&A activity in the consumer products industry, Q1 2008 – Q4 2014



Results reflect deals completed during each quarter by consumer products companies; acquired companies may be in any industry
Results for 2014 are preliminary and subject to upward revision

Source: mergermarket.com; accessed February 28, 2015

Looking only at deals valued at \$100 million or more, the trends are much the same. In 2009, there were only 125 large deals, the fewest over the last 10 years. Since then, the number has increased with 228 significant transactions completed in 2013. Again, 2014 is on pace to match, if not beat that number. It is unlikely, however, that 2014's result will reach the volume of transactions achieved in 2007 (261 deals of \$100+ million), just prior to the global economic crisis.

As with all deals with a disclosed value, the average value of the \$100+ million deals also peaked in 2009 before dropping through 2012. The strong rebound in the value of these larger deals in 2013 appears to have continued in 2014 but remains well shy of 2009's \$1,377 million average valuation.

In 2014, 20 deals of at least \$1 billion were completed in the consumer products industry. While this is down from 27 mega deals completed in 2013, it does not take into account 12 additional billion-dollar-plus deals that were announced in 2014 but were closed in 2015 or still pending as of the end of February.

Top acquisitions in the consumer products industry in 2013*

Deal rank	Buyer / Parent company	Buyer location	Buyer product sector	Acquired business / Parent company	Acquired business location	Acquired business product sector	Deal value** (US\$mil)	Completion Date
1	Consortium led by Berkshire Hathaway and 3G Capital	United States	Investment Firm/Private Equity Firm	H.J. Heinz Company	United States	Food, Drink & Tobacco	\$27,362	6/7/13
2	Anheuser-Busch InBev SA/NV	Belgium	Food, Drink & Tobacco	Grupo Modelo, S.A.B. de C.V. (remaining 50% stake)	Mexico	Food, Drink & Tobacco	\$20,100	6/4/13
3	Thai Charoen Corporation Group (TCC Assets and Thai Beverage PCL)	Thailand	Food, Drink & Tobacco	Fraser & Neave Limited (additional shares acquired for a total 90.32% stake)	Singapore	Food, Drink & Tobacco	\$12,932	1/30/13
4	Nestlé S.A.	Switzerland	Food, Drink & Tobacco	Pfizer Nutrition/Pfizer Inc.	United States	Food, Drink & Tobacco	\$11,850	4/15/13
5	JAB Holdings B.V.	Netherlands	Food, Drink & Tobacco	D.E Master Blenders 1753 N.V. (84.95% stake)	Netherlands	Food, Drink & Tobacco	\$8,623	9/18/13
6	Coca-Cola HBC AG (holding company formed by Kar-Tess Holding S.A. for the acquisition of Coca-Cola Hellenic Bottling Company)	Switzerland	Food, Drink & Tobacco	Coca-Cola Hellenic Bottling Company S.A. (remaining 76.7% stake)	Greece	Food, Drink & Tobacco	\$8,073	6/18/12
7	WH Group Limited (formerly Shuanghui International Holdings Limited)	China	Food, Drink & Tobacco	Smithfield Foods, Inc.	United States	Food, Drink & Tobacco	\$6,949	9/26/13
8	ConAgra Foods, Inc.	United States	Food, Drink & Tobacco	Ralcorp Holdings Inc.	United States	Food, Drink & Tobacco	\$6,740	1/29/13
9	Heineken N.V.	Netherlands	Food, Drink & Tobacco	Asia Pacific Breweries Ltd./Fraser & Neave	Singapore	Food, Drink & Tobacco	\$6,593	1/31/13
10	Midea Group Co., Ltd.	China	Home Furnishings & Equipment	GD Midea Holding Co., Ltd. (remaining 58.83% stake that it does not already own)	China	Home Furnishings & Equipment	\$4,923	9/18/13
11	Constellation Brands, Inc	United States	Food, Drink & Tobacco	Compania Cervecera de Coahuila/ Anheuser-Busch InBev SA/NV	Mexico	Food, Drink & Tobacco	\$2,900	6/7/13
12	LVMH Moët Hennessy Louis Vuitton SA	France	Apparel & Accessories	Loro Piana S.p.a. (80% stake)	Italy	Apparel & Accessories	\$2,831	12/5/13
13	PVH Corp.	United States	Apparel & Accessories	The Warnaco Group, Inc.	United States	Apparel & Accessories	\$2,787	2/13/13
14	JBS S.A.	Brazil	Food, Drink & Tobacco	Seara Alimentos S.A. and Grupo Zenda/ Marfrig Alimentos S.A.	Brazil and Uruguay	Food, Drink & Tobacco	\$2,762	10/1/13

Top acquisitions in the consumer products industry in 2013*

Deal rank	Buyer / Parent company	Buyer location	Buyer product sector	Acquired business / Parent company	Acquired business location	Acquired business product sector	Deal value** (US\$mil)	Completion Date
15	Suntory Holdings Limited	Japan	Food, Drink & Tobacco	Lucozade and Ribena non-alcoholic brands/ GlaxoSmithKline Plc	UK	Food, Drink & Tobacco	\$2,120	12/31/13
16	Fomento Económico Mexicano, S.A.B. de C.V. (Coca-Cola FEMSA)	Mexico	Food, Drink & Tobacco	Spaipa SA Industria Brasileira de Bebidas	Brazil	Food, Drink & Tobacco	\$1,855	10/29/13
17	Constellation Brands, Inc.	United States	Food, Drink & Tobacco	Crown Imports LLC (remaining 50% stake in JV formed with Grupo Modelo SAB de CV)/ Anheuser-Busch InBev SA/NV	United States	Food, Drink & Tobacco	\$1,850	
18	Jarden Corporation	United States	Personal Care & Household Products	The Yankee Candle Company, Inc./ Madison Dearborn Partners LLC	United States	Personal Care & Household Products	\$1,750	10/3/13
19	Itochu Corporation	Japan	Conglomerate	Packaged food and Asia fresh produce business/ Dole Food Company, Inc.	United States	Food, Drink & Tobacco	\$1,685	1/24/13
20	Cobega, S.A.	Spain	Food, Drink & Tobacco	Rendelsur SA	Spain	Food, Drink & Tobacco	\$1,553	2/18/13
21	Saputo, Inc.	Canada	Food, Drink & Tobacco	Morningstar Foods, LLC/ Dean Foods Company	United States	Food, Drink & Tobacco	\$1,450	1/3/13
22	China Mengniu Dairy Company Limited	Hong Kong	Food, Drink & Tobacco	Yashili International Holdings Ltd. (89.82% stake)/The Carlyle Group, LLC	China	Food, Drink & Tobacco	\$1,260	7/24/13
23	Cobega, S.A.	Spain	Food, Drink & Tobacco	Compania Castellana De Bebidas Gaseosas, S.L.	Spain	Food, Drink & Tobacco	\$1,125	2/18/13
24	Orkla ASA	Norway	Food, Drink & Tobacco	Rieber & Son ASA	Norway	Food, Drink & Tobacco	\$1,033	4/30/13
25	TPG Capital, L.P.	United States	Private Equity Firm	Inghams Enterprises Pty Limited	Australia	Food, Drink & Tobacco	\$1,027	3/11/13
26	PAI Partners and Omnes Capital	France	Private Equity Firm	R&R Ice Cream Plc/Oaktree Capital Group, LLC	UK	Food, Drink & Tobacco	\$1,107	7/16/13
27	The Swatch Group Ltd.	Switzerland	Apparel & Accessories	Harry Winston Inc./Dominion Diamond Corporation	United States	Apparel & Accessories	\$1,000	3/26/13

* Includes only acquisitions where a controlling interest in the acquired company is transferred to the acquiring company.

** Deal value is the sum of the consideration paid by the acquirer for the equity stake in the target plus the value of the net debt in the target, where applicable (i.e., where debt will be consolidated as a result of the purchase). Net debt is defined as short-term and long-term debt minus cash and cash equivalents.

Company names in bold are FY2013 Global Powers of Consumer Products Top 250 companies

Source: mergermarket.com and company reports

Top acquisitions in the consumer products industry in 2014*

Deal rank	Buyer / Parent company	Buyer location	Buyer product sector	Acquired business / Parent company	Acquired business location	Acquired business product sector	Deal value** (US\$mil)	Completion Date
1	Suntory Holdings Limited	Japan	Food, Drink & Tobacco	Beam, Inc.	United States	Food, Drink & Tobacco	\$15,428	4/30/14
2	Tyson Foods, Inc.	United States	Food, Drink & Tobacco	Hillshire Brands Co.	United States	Food, Drink & Tobacco	\$8,392	8/28/14
3	Microsoft Corporation	United States	Computer Software	Nokia Oyj (Devices and Services business)	Finland	Computer Hardware	\$7,177	4/25/14
4	Anheuser-Busch InBev SA/NV	Belgium	Food, Drink & Tobacco	Oriental Brewery/Kohlberg Kravis Roberts and Affinity Equity Partners	South Korea	Food, Drink & Tobacco	\$6,221	3/31/14
5	Nestlé S.A.	Switzerland	Food, Drink & Tobacco	50% stake in Galderma Pharma SA/ L'Oreal S.A.	Switzerland	Personal Care & Household Products	\$4,200	7/8/14
6	Yildiz Holding A.S.	Turkey	Food, Drink & Tobacco	United Biscuits Limited/PAI Partners and Blackstone Group L.P.	UK	Food, Drink & Tobacco	\$3,196	11/12/14
7	Diageo plc	UK	Food, Drink & Tobacco	United Spirits Limited (additional 26% acquired for a total 54.78% stake)	India	Food, Drink & Tobacco	\$3,140	7/2/14
8	Apple Inc.	United States	Electronic Products	Beats Electronics LLC/The Carlyle Group, Dr. Dre and Jimmy Iovine	United States	Electronic Products	\$3,000	8/1/14
9	Lenovo Group Limited	China	Electronic Products	Motorola Mobility Holdings, Inc./Google Inc.	United States	Electronic Products	\$2,910	10/30/14
10	Mars, Incorporated	United States	Food, Drink & Tobacco	Iams, Eukanuba and Natura pet-food brands/ Procter & Gamble Company	United States	Food, Drink & Tobacco	\$2,900	8/1/14

Top acquisitions in the consumer products industry in 2014*

Deal rank	Buyer / Parent company	Buyer location	Buyer product sector	Acquired business / Parent company	Acquired business location	Acquired business product sector	Deal value** (US\$mil)	Completion Date
11	Post Holdings, Inc.	United States	Food, Drink & Tobacco	Michael Foods, Inc./Thomas H. Lee Partners, L.P. and GS Capital Partners	United States	Food, Drink & Tobacco	\$2,450	6/2/14
12	Whirlpool Italia Holdings S.r.l./ Whirlpool Corporation	United States	Home Furnishings & Equipment	Indesit Company S.p.A. (97.4% stake)	Italy	Home Furnishings & Equipment	\$2,221	11/21/14
13	Sycamore Partners	United States	Private Equity Firm	The Jones Group, Inc.	United States	Apparel & Accessories	\$2,199	4/8/14
14	Mizkan Group Corporation	Japan	Food, Drink & Tobacco	North America Pasta Sauces Business of Conopco Inc., a subsidiary of Unilever Plc	United States	Food, Drink & Tobacco	\$2,150	7/1/14
15	Lenovo Group Limited	China	Electronic Products	IBM's x86 server business from IBM	United States	Electronic Products	\$2,100	9/29/14
16	Essilor International SA	France	Ophthalmic Products	Transitions Optical, Inc. (acquired remaining 51% from joint venture partner PPG Industries Inc.)	United States	Ophthalmic Products	\$1,855	4/1/14
17	Del Monte Pacific Limited/ NutriAsia Pacific Ltd.	Singapore	Food, Drink & Tobacco	Consumer food business/Del Monte Corporation	United States	Food, Drink & Tobacco	\$1,675	2/19/14
18	Chocoladefabriken Lindt & Spruengli (International) AG	Switzerland	Food, Drink & Tobacco	Russell Stover Candies, Inc	United States	Food, Drink & Tobacco	\$1,400	7/14/14
19	Nestlé S.A.	Switzerland	Food, Drink & Tobacco	Rights to several injectable skincare treatments/ Valeant Pharmaceuticals International, Inc.	Canada	Personal Care & Household Products	\$1,400	7/10/14
20	Grupo Bimbo SA de CV	Mexico	Food, Drink & Tobacco	Canada Bread Company, Limited/ Maple Leaf Foods Inc.	Canada	Food, Drink & Tobacco	\$1,359	5/23/14

* Includes only acquisitions where a controlling interest in the acquired company is transferred to the acquiring company.

** Deal value is the sum of the consideration paid by the acquirer for the equity stake in the target plus the value of the net debt in the target, where applicable (i.e., where debt will be consolidated as a result of the purchase). Net debt is defined as short-term and long-term debt minus cash and cash equivalents.

Company names in bold are FY2013 Global Powers of Consumer Products Top 250 companies

Source: mergermarket.com and company reports

The largest deal in 2014 was the acquisition of spirits-maker Beam by Japan's Suntory Holdings for a total consideration of \$15.4 billion. The year's second biggest transaction was Tyson Foods' purchase of Hillshire Brands for \$8.4 billion. Two other deals were valued at over \$5 billion: Microsoft acquired the devices and services business (mobile phones) from Nokia for \$7.2 billion, and Anheuser-Busch InBev bought Oriental Brewery from KKR and Affinity Equity Partners for \$6.2 billion.

Restructuring of consumer products industry giants driving M&A activity

Despite the flurry of mega deals over the past two years, the consumer products industry has learned that a clearly defined growth strategy is critical and that bigger is not necessarily better. The impact of the global recession resulted in a number of companies reevaluating their strategic positioning in order to generate sustainable earnings and ongoing growth. Many companies started to review their business portfolios to identify underperforming assets or brands that did not leverage core capabilities or support core business growth, with a view to divesting them into a recovering deal market where asset prices are high. As a result, corporate restructuring is putting a number of assets in play, including flagship and other strong brands, that no longer fit a particular company's strategic vision where sales proceeds can be better invested into higher-margin, higher-growth categories that ultimately result in EPS accretion in the mid to long term.

A review of recent M&A activity shows that, increasingly, consumer products companies are seeking to dominate leading market positions rather than diversify; to rightsize, not necessarily upsize. In mature industry sectors like tobacco, beverages, appliances, and pet food, among others, companies are regrouping into more focused, streamlined players.

In August 2014, Procter & Gamble, the world's largest personal care and household products maker, announced it would sell about half its brands in the next two years in a bold attempt to refocus the business on 70 to 80 brands. CEO A.G. Lafley stressed size of sales won't be the only criteria for shedding brands, declaring even large brands would be sold if they don't fit strategically into the company's core businesses. "Less will be much more," Lafley told analysts. "The objective is growth and much more reliable generation of cash and profit. We're going to be much more agile and adaptable." In line with P&G's strategy to concentrate on its core businesses, the company has already exited or announced plans to exit its pet care and battery businesses.

- In July 2014, P&G completed the divestiture of its pet food business in North America, Latin America and other selected countries to Mars, the privately-held American confectionery and pet food manufacturer, for \$2.9 billion. Mars then exercised its option to purchase P&G's pet businesses in certain markets in Asia Pacific, Middle East, Eastern Europe and Africa. In December, P&G sold its European pet food business to Spectrum Brands for an undisclosed amount.
- P&G is also in the process of exiting the alkaline battery business. The first step was the sale of its majority interest in a China-based battery joint venture, Fujian Nanping Nanfu Battery Co., to a Chinese private equity firm. This was accomplished in December 2014. The second step is the exit of the Duracell business. In November 2014, P&G announced an agreement with Berkshire Hathaway in which P&G would exchange a recapitalized Duracell Company for Berkshire Hathaway's shares of P&G stock. In its November 2014 press release, P&G said that Berkshire's stock ownership was valued at approximately \$4.7 billion, and that it expects to contribute approximately \$1.8 billion in cash to the Duracell Company in the pre-transaction recapitalization. The deal is expected to close in the second half of calendar 2015.

Unilever, P&G's European rival, also continues to benefit from an ongoing plan to streamline its product portfolio, using disposals and acquisitions to focus on key strategic categories. For several years, the Anglo-Dutch company has been pruning its food portfolio while targeting growth opportunities in its other core categories: personal care, home care, and refreshments. Like P&G, Unilever believes that a more focused company, targeted at growth-oriented categories where it leads the market, should be able to grow faster, create more value, and reduce complexity.

- In the past two years, the company has sold its Skippy peanut butter business to Hormel Foods (2013); its Wish-Bone and Western salad dressing brands to Pinnacle Foods (2013); its North American pasta sauce business under the Ragu and Bertolli brands to Mizkan Group (2014); and its Slim-Fast line of diet foods to Kainos Capital (2014)—in addition to numerous smaller deals.
- In December 2014, Unilever announced plans to separate its lower-growth North American and European spreads business into a standalone company to be renamed Unilever Baking, Cooking & Spreading. The unit, which is expected to be fully operational by July 2015, will continue to be owned by Unilever but will have its own dedicated management team.
- The company is targeting acquisitions in the personal care segment in order to build scale and create or sustain leadership positions in faster-growing categories. Unilever announced in January 2015 that it would acquire the Camay soap brand globally, the Zest brand outside of North America and the Caribbean, and a bar soap manufacturing facility in Mexico from P&G for an undisclosed amount. The transaction, which is expected to close during the first half of 2015 subject to necessary regulatory approvals, will help cement Unilever's global leadership in the skin cleansing category. The company will instantly become the market leader in soaps in Mexico, a priority market for Unilever.
- Unilever also acquired Talenti Gelato & Sorbetto to build scale in the premium ice cream category in the United States.

In addition to P&G and Unilever, an analysis of the M&A activity over the past two years and into 2015 shows many other examples of consumer products companies seeking to simplify and focus their businesses around core categories and capabilities, consolidating their positions in key product markets.

Thirst for growth in the beverage sector

The prospect of high growth in the alcohol and soft drinks sector is limited in developed markets for all but a few categories, resulting in companies searching for growth further afield. As emerging economies have become a significant growth driver for beverage companies, a thirst for acquisitions continues to drive brewers and spirits companies in the global drinks market.

- Suntory has been aggressively pursuing foreign acquisitions in an effort to expand outside its mature domestic market. After buying France's Orangina Schweppes for more than \$3 billion in 2009, the company spent \$2.1 billion on GlaxoSmithKline's soft drinks unit, which included the Lucozade and Ribena brands. Suntory's April 2014 acquisition of U.S. bourbon maker Beam, with its strong global distribution network, was the largest consumer products transaction to be completed in 2014. The deal has amassed a product portfolio of leading global brands that now makes Suntory one of the world's biggest premium spirits companies.
- Diageo, the world's biggest distiller, gained control of United Spirits Limited, the largest distiller in India, in July 2014. A controlling stake in United Spirits gives the U.K. company the leading position in the world's largest whiskey market and access to a market-leading distribution platform for its international brands.

Consolidation is still on tap for the brewing industry as a decline in beer consumption in mature markets forces beer makers to look elsewhere for growth.

- In March 2014, Anheuser-Busch InBev repurchased Oriental Brewery, the South Korean brewer, in a transaction valued at more than \$6 billion. The deal expands AB InBev's international footprint and signals its return to the fast-growing Asia-Pacific region, a market it largely abandoned after it sold Oriental Brewery to private equity firm Kohlberg Kravis Roberts in July 2009.
- A year earlier, in June 2013, AB InBev acquired the remaining 50 percent of Mexican brewer Grupo Modelo that it did not already own in a transaction valued at more than \$20 billion. In order to go forward with their merger, the companies were required to divest Modelo's entire U.S. business.
- As a result, U.S.-based Constellation Brands, a leading international wine, beer, and spirits company, acquired full ownership of Modelo's U.S. beer business for approximately \$4.75 billion. The transaction, completed in June 2013, included Modelo's 50 percent interest in Crown Imports, a joint venture Constellation formed in 2006. Also included is Compania Cervecera de Coahuila, Modelo's state-of-the-art brewery in Mexico, as well as rights in perpetuity to Corona and other Modelo brands distributed by Crown in the United States. The acquisition has nearly doubled Constellation's sales and established Crown Imports as the third-largest producer of beer for the U.S. market.

Appliance makers vacuum up competitors

After a spate of mergers in the 1980s, appliance makers are once again looking to increase their market share and global footprint through acquisitions. Larger size also allows for higher levels of research and development investment that are crucial in this intensely competitive product sector.

- U.S.-based Whirlpool bought Italian appliance maker Indesit in November 2014. The acquisition will further expand Whirlpool's presence beyond its core North American market, which accounted for 53 percent of the company's 2014 sales.

Meanwhile, Indesit generates more than half its revenue from Western Europe. This acquisition followed Whirlpool's purchase of a majority stake in Chinese household appliance maker Hefei Rongshida Sanyo Electric Company from SANYO Electric, a subsidiary of Panasonic Corporation, in 2013. That deal significantly enhances Whirlpool's presence in the Asian market, which accounted for just 4 percent of its sales in 2014.

- In its largest acquisition ever, Sweden's AB Electrolux agreed in September 2014 to buy the household appliances business of General Electric for \$3.3 billion, a deal that will double its sales in the U.S. market and strengthen its hand as it battles larger rival Whirlpool. The deal includes a 48.4 percent stake in Mexico's Mabe, one of the largest producers of appliances in Latin America.
- In January 2015, the Bosch Group completed its acquisition of Siemens's 50 percent share in BSH Bosch und Siemens Hausgeräte for a total consideration of EUR 3 billion (\$3.85 billion). The former joint venture will now be run as a wholly owned Bosch subsidiary. Bosch will be allowed to continue to use the Siemens brand in its household appliance offerings in the long term.
- On a smaller scale, Spain's CNA Group, which began life as Cata Electrodomésticos in 1947 and acquired appliance brands Apelson (2000) and Nodor (2004), picked up all the Spain-based industrial and brand assets of bankrupt appliance maker Fagor Electrodomésticos in September 2014.

Big food companies gobble up pet food brands

The relatively recession-resistant pet food market is one of the fastest-growing segments in the food industry. Interest in the health and nutrition of pets is increasing demand for premium products, contributing to market growth—and big food companies have taken notice.

- Big Heart Pet Brands, previously known as Del Monte Foods Pet Products, became the United States' largest standalone pet food and pet treats company—albeit briefly. The creation of the new brand followed Del Monte Corporation's \$1.67 billion sale of its Consumer Food division to Del Monte Pacific Limited in February 2014. However, Big Heart Pet Brand's status as an independent company was short-lived. In February 2015, J.M. Smucker, known for its namesake jam, along with Folgers coffee, Jif peanut butter, and other iconic food brands—announced that it would pay about \$5.8 billion to buy Big Heart Pet Brands, maker of Meow Mix, Milk-Bone, and a host of other well-known brands.
- That deal follows Mars' \$2.9 billion acquisition of pet-food brands Iams, Eukanuba, and Natura in North America, Latin America, and certain other countries from P&G in August 2014. The deal strengthens Mars' already large and growing pet care business, which includes billion-dollar pet food brands Pedigree, Whiskas, and Royal Canin, as well as veterinary care provider Banfield Pet Hospital. In November, Mars exercised its option to buy P&G's pet food businesses in Australia, New Zealand, Taiwan, Singapore, Malaysia, and Brunei.
- In December 2014, Spectrum Brands bought P&G's European Iams and Eukanuba pet food business for an undisclosed amount. The acquisition will help the company's United Pet Group expand its existing aquatics and companion animal supplies business into an adjacent category—the dog and cat food market.

Deal activity reignites in tobacco sector

Despite the growth of the electronic cigarette market, which has triggered a flurry of M&A activity in the tobacco industry over the past three years, the shrinking market for traditional cigarettes is forcing big tobacco companies to look elsewhere to counter sagging growth. To offset dwindling sales in developed markets, companies have been acquiring smaller, regional cigarette producers and distributors around the globe. The last blockbuster deal in the tobacco industry was Japan Tobacco's acquisition of Britain's Gallaher Group for \$15 billion in 2007. All that is about to change, however, as the industry is set to experience a major upheaval in 2015.

- In July 2014, Reynolds American agreed to acquire Lorillard in a complex transaction that will result in the biggest industry shake-up since R.J. Reynolds merged with British American Tobacco subsidiary Brown & Williamson more than a decade ago to form Reynolds American. That deal gave BAT a 42 percent stake in its American rival. The new mega deal, valued at more than \$27 billion, is anticipated to be completed in the first half of 2015.
- Concurrently, as a result of competition concerns over the tie-up between the number two and three players in the U.S. market (behind Altria), the UK's Imperial Tobacco Group was given the opportunity to pick up brands and assets. The company agreed to acquire the Winston, Maverick, Kool, Salem, and blu cigarette brands of Reynolds American for \$7.1 billion, plus the national sales force, offices, and production facilities owned by Lorillard. The deal, which will greatly enhance Imperial's footprint in the U.S. market, is conditional upon completion of the acquisition of Lorillard by Reynolds.
- Additionally, BAT has agreed to invest \$4.7 billion as part of Reynolds' proposed acquisition of Lorillard, enabling the company to maintain its 42 percent equity position in the enlarged business.

M&A Outlook

As 2015 unfolds, organic growth remains a challenge for many consumer products companies. As a result, companies will continue to view strategic acquisitions as a fast-track method to:

- establish or reinforce a leadership position in core product categories, particularly with premium brands;
- move into adjacent product categories;
- expand into faster-growing geographic markets;
- secure well-established brands in developed markets;
- capitalize quickly on high-growth emerging market trends; and
- drive out costs by achieving economies of scale through consolidation.

Bolstered by a favorable financing environment, the pace of M&A activity has accelerated over the past two years as companies reposition their businesses to support sustainable growth, both in sales and earnings, and create long-term value. Over the next few years, we expect consumer products companies to continue to use acquisitions and disposals to streamline and focus their product portfolios, making their organizations more agile and responsive in an effort to drive underlying growth. The industry has learned that success requires purposeful, profitable growth. Economies of scale and operational efficiencies are worthy goals of a successful acquisition, but only if coupled with a company's specific, strategic growth objectives.

For more information on M&A activity and trends in the consumer products industry, see the "Deloitte Consumer Products M&A Insights: Summer 2014."

Q ratio analysis

In this report, we rank the world's largest consumer products companies by revenue. While the size of a company is interesting, it does not necessarily tell us anything about the prospects for future performance. Large size simply demonstrates that a company performed well in the past and has, consequently, achieved scale. Moreover, the market capitalization of a publicly traded consumer products company, examined alone, says something about past performance – even if only recently – but not necessarily about the future.

However, we can examine financial information in order to learn something about possible future performance. With that goal in mind, we have analyzed the Q ratio of consumer products companies over the last seven years. Our goal has been to learn how financial markets are evaluating the future prospects of the world's largest publicly traded consumer products companies. The Q ratio enables us to infer whether companies are strong in such areas as brand, differentiation, and innovation.

What is the Q ratio?

The Q ratio is the ratio of a publicly traded company's market capitalization to the value of its tangible assets. If this ratio is greater than one, it means that financial market participants believe that a company's non-tangible assets have value. These include such things as brand equity, differentiation, innovation, customer experience, market dominance, customer loyalty, and skillful execution. The higher the Q ratio, the greater share of a company's value that stems from such intangibles. A Q ratio of less than one, on the other hand, indicates failure to generate value on the basis of even tangible assets. It indicates that the financial markets view

a consumer products company's strategy as unable to generate a sufficient return on physical assets. Indeed, it suggests an arbitrage opportunity. That is, if a company's Q ratio is less than one, a company could, theoretically, be purchased through equity markets and the tangible assets could then be sold at a profit.

Why do we care about the Q ratio?

In recent years, one of the biggest challenges facing consumer products companies has been the squeezing of margins due to commoditization. That is, consumers often view the brands produced by these companies as undifferentiated from one another except on the basis of price. This trend has been exacerbated by the ability of consumers to use the Internet, and especially mobile devices, to compare prices and products. In addition, the rise of popular private labels at major retailers has provided consumer product companies with serious competition and has exacerbated the trend toward commoditization. This has driven down prices and, therefore, margins. Only the lowest cost leaders in any product segment can compete primarily on the basis of price. All others must do something else. The antidote to commoditization, of course, is to differentiate through better customer experience and innovation, and to communicate this differentiation to consumers through good brand management. Consequently, a high Q ratio suggests that the financial markets believe a company is doing the right things to succeed in a business environment characterized by commoditization. A Q ratio less than one may indicate that the financial markets believe a company is failing to use its physical assets in a profitable manner.

What do the numbers show?

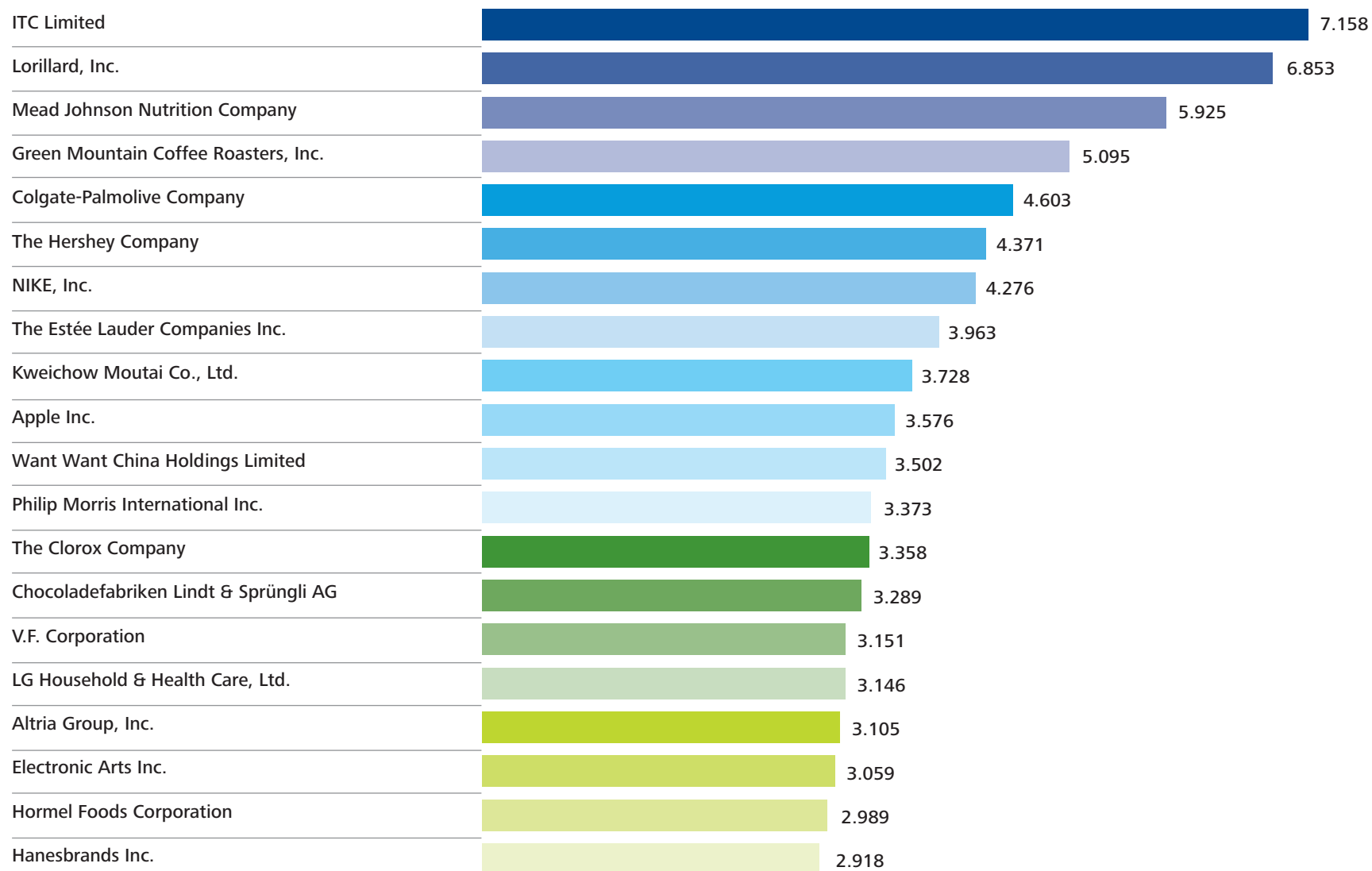
This year we calculated the Q ratio for 186 publicly traded consumer products companies. The composite Q ratio (calculated by taking the sum of all companies' market capitalization and dividing by the sum of all companies' asset values) is 1.467 versus a composite Q ratio of 1.302 last year. Given the recovery in the global economy and the rise in equity prices in many markets, it is not surprising that the composite Q ratio has risen. The average Q ratio is 1.656.

Here are some of the highlights of our analysis:

- The companies on the list with the highest Q ratios come from a mix of industries, but come mostly from the United States. Of the 20 top companies on the list, 15 are from the United States, up from 10 last year. Four of the remaining five come from Asia. First on the list once again is ITC Limited from India. It is one of India's large conglomerates producing a wide range of fast moving consumer goods. Among the top 20 companies by Q ratio are such iconic brand names as Apple, Nike, Hershey, and Estee Lauder. The relatively high Q ratios that characterize these companies reflect financial market confidence in their future ability to generate profits based on strong brands. Yet no company should ever rest on its laurels. The bottom of our list (which we do not publish) includes many names that once dominated their industries, only to be eclipsed by innovative upstarts. Hence, a high Q ratio is no guarantee of future success. But it does suggest financial market confidence that the brand has legs on which to stand. Also notable is that of the 20 companies at the bottom of our Q ratio list, 10 come from Japan.

- Composite Q ratios were calculated by country and region. We calculated a country composite Q ratio only if a country has three or more publicly traded companies on our top 250 list. The country with the highest composite Q ratio is the United States followed by the UK, Switzerland, and China. While in the last few years Japan had the lowest Q ratio, in this year Turkey has the lowest composite Q ratio. Low Q ratios are also found in Japan, Brazil, Taiwan, and Sweden.
- We also looked at the composite Q ratio by region. Not surprisingly, the region with the highest Q ratio is North America followed by Europe. The lowest Q ratios are found in the Africa/Middle East region and in the Asia Pacific region. However, when Japan is excluded from the latter, the composite Q ratio is much higher.
- Composite Q ratios were also calculated based on a company's primary product sector. Not surprisingly, the industry with the highest composite Q ratio is apparel and accessories. Success in fashion usually requires strong brand identity, so this is to be expected. The other industries with relatively high composite Q ratios were personal and household products; electronic products; and food, drink, and tobacco. However, it should be noted that the electronic products category is dominated by Apple. When this very large company is excluded, the composite Q ratio for the electronic products sector is the lowest among industries. The other industries with low composite Q ratios are tires, home furnishing, and home improvement.
- This year, for the second time, we ask the question whether the size of a company, either in terms of revenue or market capitalization, influences the Q ratio. We found that the top 20 companies ranked by revenue had a considerably higher composite Q ratio than the bottom 20. However, market capitalization appears to be of even greater importance. The top 20 companies ranked by market capitalization had a far higher composite Q ratio than the bottom 20. Evidently, the value that the financial markets assign to a company is closely correlated with whether the company makes good use of its value.

Top 20 consumer products companies by Q ratio



Q ratio by country



USA
2.120



UK
1.826



Switzerland
1.808



China
1.471



Mexico
1.170



France
1.137



Hong Kong
0.909



South Korea
0.894



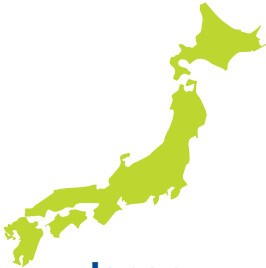
Sweden
0.805



Taiwan
0.785



Brazil
0.632

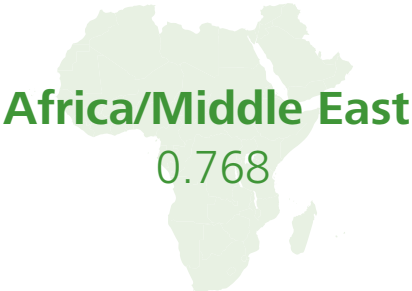


Japan
0.610



Turkey
0.479

Q ratio by region



Q ratio by primary product sector



Apparel & Accessories
2.222



Personal Care & Household Products
1.901



Electronic Products
1.449



Food, Drink & Tobacco
1.438



Leisure Goods
1.189



Home Improvement Products
0.948



Home Furnishings & Equipment
0.871

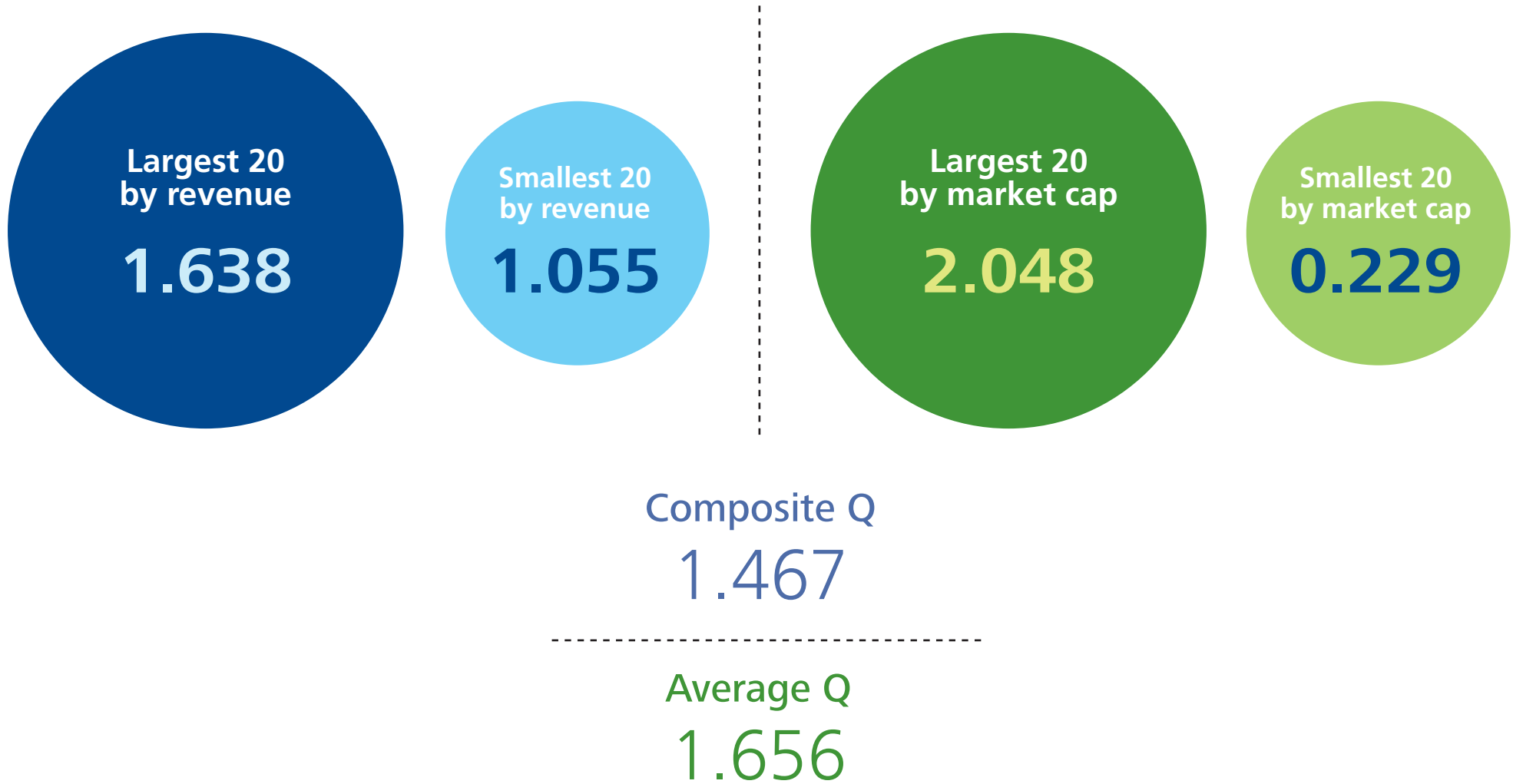


Tires
0.654



Electronics less Apple
0.562

Q ratio by size



Study methodology and data sources

To be considered for the Top 250 Global Powers of Consumer Products, a company must first be designated as a manufacturer (primary SIC code 20-39). Each company is then analyzed in an attempt to determine if the majority of its sales are derived from consumer products versus commercial or industrial products. Broadly defined, these are products produced for and purchased by the ultimate consumer. Generally, these products are marketed under well-known consumer brands. We have excluded contract manufacturers—organizations that make products primarily under contract for other companies—and included only companies whose brands are on the final products. Motor vehicle manufacturers and pharmaceutical companies are also excluded, as these industries are not relevant to the vast majority of the target audience for this analysis.

Companies whose primary business was the sale of consumer products were included among the Top 250 based on their total fiscal 2013 net sales, which may include sales of commercial and industrial products as well as consumer products. Net sales also include licensing revenue and royalty income where applicable. Excise taxes were excluded from the sales of tobacco and drinks companies where possible. Our fiscal 2013 definition encompasses companies' fiscal years ended through June 2014.

A number of sources were consulted to develop the Top 250 list. The principal data sources for financial information were annual reports, SEC filings, and information found in companies' press releases, fact sheets, or websites. If company-issued information was not available, other public-domain sources were used, including industry analyst reports, various business information databases, and trade journal estimates.

In order to provide a common base from which to rank the companies, net sales for non-U.S. companies were converted to U.S. dollars. Exchange rates, therefore, have an impact on the results. OANDA.com was the source used for the exchange rates. The average daily exchange rate corresponding to each company's fiscal year was used to convert that company's results to U.S. dollars. However, the growth rates and profit margin reported for individual companies are calculated in each company's local currency.

Group financial results

Sales-weighted, currency-adjusted composites are used to report the financial results of groups of companies. This means the results of larger companies contribute more to the composite than do results of smaller companies. To calculate results for groups of companies that may report in a variety of currencies, and to facilitate comparison among groups, it also means that data must first be converted to U.S. dollars. In order to eliminate the impact of fluctuations in exchange rates over time, composite growth rates also are adjusted to correct for currency movement.

Composites and averages for each group were based only on companies with data. Not all data elements were available for all companies.

It should also be noted that the financial information used for each company in a given year is as originally reported. Although a company may have restated prior-year results to reflect a change in its operations (e.g., the divestiture of a business unit), such restatements are not reflected in this data. This study is intended to provide a snapshot of the consumer products industry at a point in time. It is also intended to reflect market dynamics and their impact on the structure of the industry over a period of time. As a result of these factors, the growth rates reported for individual companies may not correspond to other published results.

Contacts

Consumer products contacts for Deloitte Touche Tohmatsu Limited (DTTL) and its member firms

Global (DTTL)

Global Industry Leader, Consumer Business

Antoine de Riedmatten
aderiedmatten@deloitte.fr

Global Sector Leader, Consumer Products

Jack Ringquist
jringquist@deloitte.com

Chief Global Economist

Ira Kalish
ikalish@deloitte.com

Consumer Business Marketing

Kathryn Cordes
kcordes@deloitte.com

North America

Canada

Ryan Brain
rbrain@deloitte.ca

United States

Pat Conroy
Deloitte LLP
pconroy@deloitte.com

Europe, Middle East and Africa (EMEA)

Belgium

Eric Desomer
edesomer@deloitte.com

Central Europe

Aaron Martin
aamartin@deloittece.com

Czech Republic

Martin Tesař
mtesar@deloittece.com

Denmark

Jesper Povlsen
jepovlsen@deloitte.dk

East Africa

John Kiarie
jkiarie@deloitte.co.ke

Finland

Jussi Sairanen
jussi.sairanen@deloitte.fi

France

Stéphane Rimbeuf
srimbeuf@deloitte.fr

Germany

Karsten Hollasch
khollasch@deloitte.de

Greece

Dimitris Koutsopoulos
dkoutsopoulos@deloitte.gr

Ireland

Kevin Sheehan
kesheehan@deloitte.ie

Israel

Israel Nakel
inakel@deloitte.co.il

Italy

Dario Righetti
drighetti@deloitte.it

Middle East

Herve Ballantyne
hballantyne@deloitte.com

Netherlands

Erik Nanninga
enanninga@deloitte.nl

Norway

Jonathan Farnell
jfarnell@deloitte.no

Poland

Dariusz Kraszewski
dkraszewski@deloittece.com

Portugal

Luis Belo
lbelo@deloitte.pt

Russia/CIS

Egor Metelkin
emetelkin@deloitte.ru

South Africa

Andre Dennis
adennis@deloitte.co.za

Spain

Fernando Pasamon
fpasamon@deloitte.es

Sweden

Joakim Torbjorn
jtorbjorn@deloitte.se

Switzerland

Howard da Silva
hdasilva@deloitte.ch

Turkey

Ozgur Yalta
oyalta@deloitte.com

United Kingdom

Nigel Wixcey
nigelwixcey@deloitte.co.uk

West Africa

Alain Penanguer
apenanguer@deloitte.fr

Latin America

Latin America Consumer Business Leader

Reynaldo Saad
rsaad@deloitte.com

Argentina

Daniel Varde
dvarde@deloitte.com

Brazil

Reynaldo Saad
rsaad@deloitte.com

Chile

Cristian Alvarez
cralvarez@deloitte.com

Colombia

Juan Sanchez
jsancheznino@deloitte.com

Mexico

Luis Castañeda
lcastaneda@deloittemx.com

Omar Camacho
ocamacho@deloittemx.com

Peru

Francisco Revelo
frevelo@deloitte.com

Venezuela

Ignacio Rodriguez
igrodriguez@deloitte.com

Asia Pacific

Asia Pacific Consumer Business Leader

Yoshio Matsushita
yomatsushita@tohmatu.co.jp

Australia

Katie McNamara
katiemcnamara@deloitte.com.au

China

David Lung
dalung@deloitte.com.cn

India

Shyamak Tata
shyamaktata@deloitte.com

Indonesia

Jose Sabater
josabater@deloitte.com

Japan

Yoshio Matsushita
yomatsushita@tohmatu.co.jp

Korea

Jae Hoon Lee
jaehoolee@deloitte.com

Malaysia

Jeffrey Soo
jefsoo@deloitte.com

Philippines

Bonifacio Lumacang
blumacang@deloitte.com

SEA & Singapore

Eugene Ho
eugeneho@deloitte.com

Taiwan

Jason Ke
jasonke@deloitte.com.tw

Thailand

Manoon Manusook
mmanusook@deloitte.com

Vietnam

Nguyen Vu Duc
nguyenvu@deloitte.com



About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s more than 210,000 professionals are committed to becoming the standard of excellence.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

© 2015. For information, contact Deloitte Touche Tohmatsu Limited.