



Oghma Partners LLP

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UK Food & Beverage Sector

Second Tertial Update

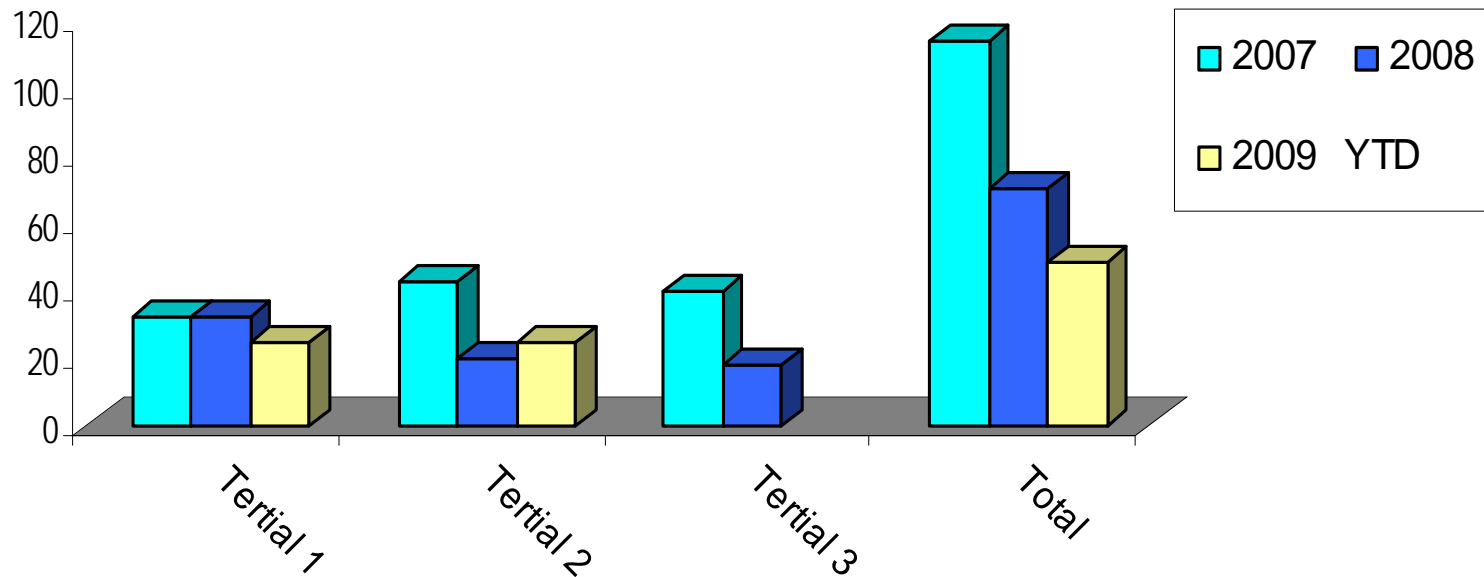
September 2009



- Sharp decline in M&A activity shows signs of stabilising (2009/8) though 33% below 2007 level.
- Insolvency driving significantly higher percentage of transactions at 25% of all deals vs. less than 5% a year ago.
- Deal value YTD estimated at £660mn vs. £2bn for 2008 as a whole (ex S&N deal).
- Average valuations down materially on a year ago
- YTD corporate buyers accounted for 59% of transactions (52% 2008), financial buyers 20% (10% 2008) and overseas buyers 21% (38% 2008).
- Second Tertian 2009 see's deal level up marginally over corresponding period a year ago. YTD deal activity broadly flat
- Given transaction lead times, it is unlikely that any positive sentiment, detectable in the economy and a rebounding equity market, will lead to increased M&A activity until end 2009 or the first half of 2010.

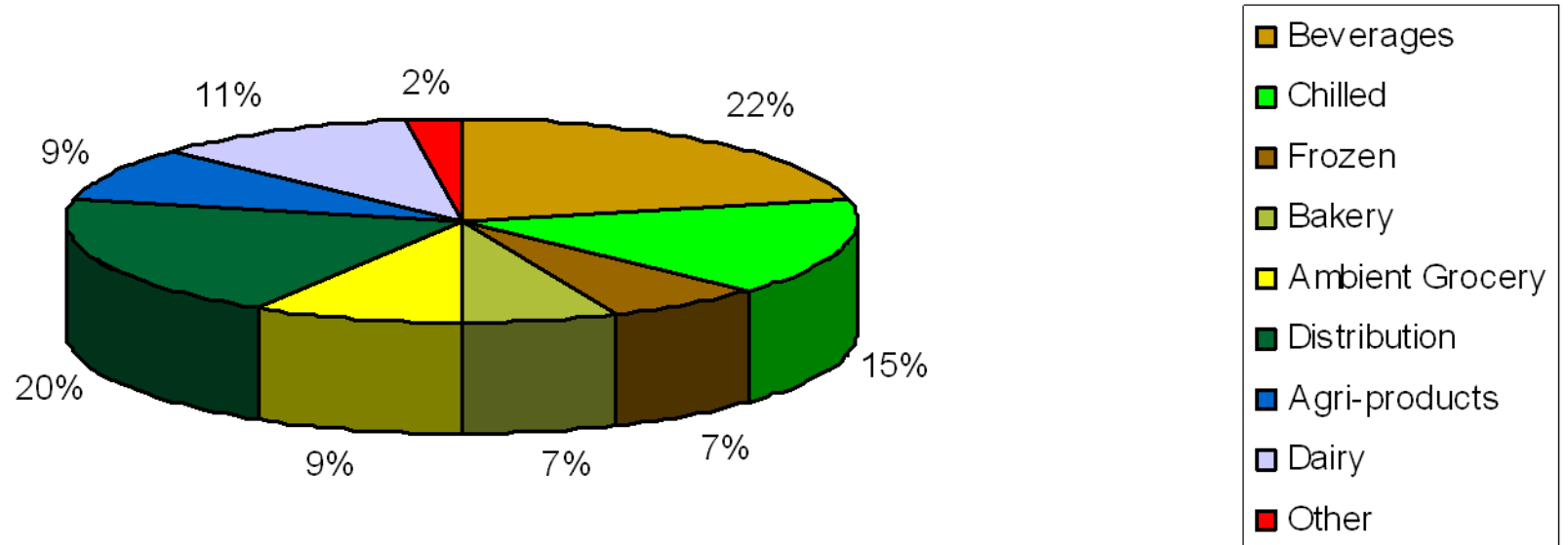


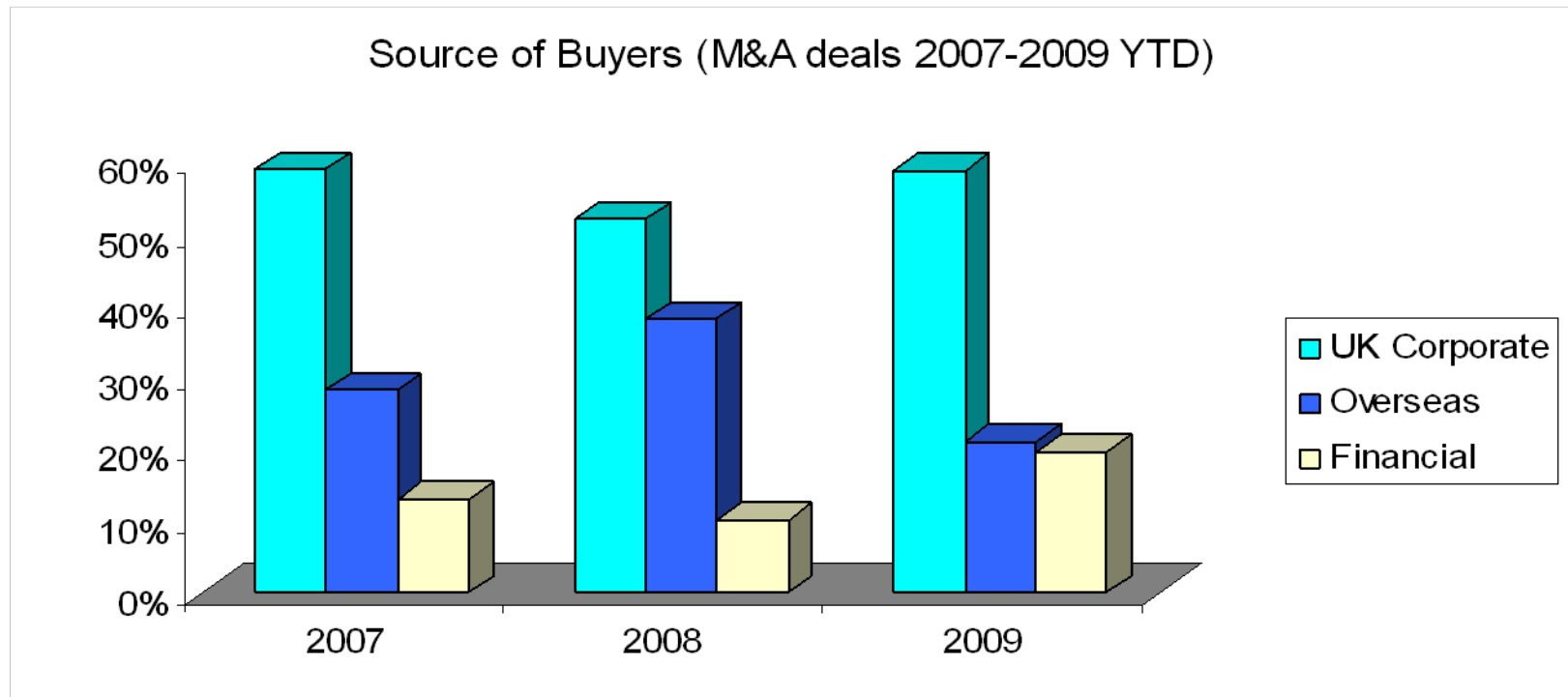
### Volume of deals 2007-9 YTD





**M&A Activity by Sub-Sector (2009 YTD)**



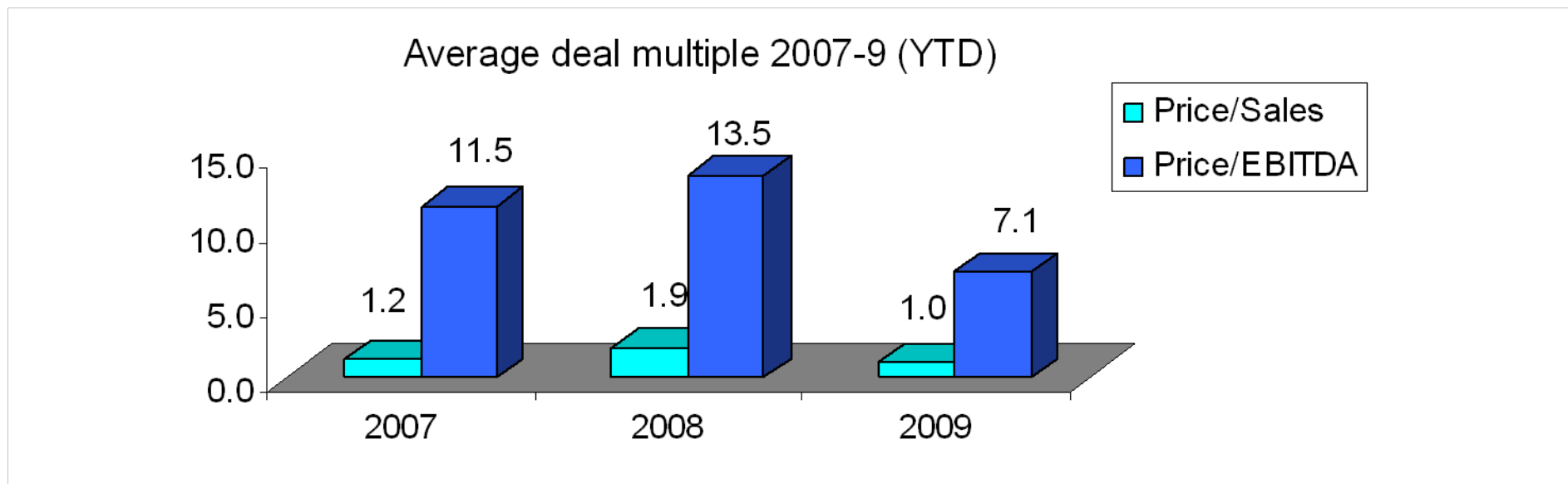


# UK Food & Beverage Sector Valuation – big cap international stocks win premium rating



Company	Currency	Share Price	Market Capitalisation (£mn)	P/E Yr 1E	P/E Yr 2E	EV/EBITDA Yr 1E	EV/EBITDA Yr 2E
<b>International Food</b>							
Cadbury	£	5.88	7,907	16.7	14.9	9.7	9.0
Danone	€	37.9	20,312	15.0	14.0	10.3	9.7
Nestle	Sfr	43.1	90,244	15.0	13.7	8.9	8.4
Unilever	£	16.71	21,590	15.9	14.8	10.3	10.1
Average				15.7	14.4	9.8	9.3
<b>British Food</b>							
Associated British Foods	£	8.11	6,382	14.0	12.6	8.0	7.3
Dairy Crest	£	3.12	410	7.6	7.5	5.8	5.7
Finsbury Food	£	0.25	12.8	3.5	3.0	5.0	4.6
Glisten	£	0.87	12.4	4.3	3.8	4.4	3.9
Greencore	€	1.6	287	10.5	9.1	6.2	5.8
Kerry Group	€	18.33	2,818	11.2	10.5	8.3	7.6
Northern Foods	£	0.64	294	10.6	10.1	6.0	5.8
Premier Foods	£	0.44	1,057	7.9	7.3	7.0	6.4
Tate & Lyle	£	4.04	1,866	11.0	9.7	7.4	6.5
Zetar	£	1.92	25.4	5.8	5.5	n.a	n.a
Average				8.6	7.9	6.5	6.0
<b>Beverages</b>							
Britvic	£	3.38	725	11.5	10.6	7.3	6.8
Carlsberg	€	375	5,228	15.0	11.9	8.4	7.7
C&C Group	€	2.22	634	11.3	11.3	11.0	9.4
Diageo	£	9.97	24,561	14.6	13.6	11.2	10.7
Heineken	€	29.87	12,777	14.7	14.1	8.3	8.1
Pernod Ricard	€	55.2	12,473	13.9	12.3	13.2	12.3
SAB Miller	£	14.34	22,279	15.9	14.4	10.2	9.4
Average				13.8	12.6	9.9	9.2

Source: Consensus Estimates



# UK Food & Beverage Sector selected M&A transactions 2007



Announced	Bidder	Target	Target Product Line	Consideration/EV	Price/ Sales	Price/ EBITDA
				£mn	x	x
30/01/2007	Finsbury Food Group Plc	Lightbody Group Ltd	Bakery Products	45.2	1.0	18.4
02/03/2007	GraceKennedy Ltd, Jamaica	WT Foods Ltd	Ethnic Products	23.0	0.4	29.5
23/03/2007	Saputo Inc, Canada	Dansco Dairy Products Ltd	Dairy Products	8.3	0.5	n.a
28/03/2007	Frutarom	Belmay Ltd	Natural Flavours	8.7	2.4	12.6
03/04/2007	Adelie Food Holdings Ltd	Brambles Foods Ltd	Chilled Foods	22.0	1.1	9.2
03/04/2007	Wellness Foods Ltd	Grove Fresh Ltd	Manufactures soft drinks	8.8	1.0	12.1
23/04/2007	Frutarom Industries	Jupiter Flavours Ltd	Ingredients	1.7	1.5	5.1
11/05/2007	Syral SAS, France, Tereos	Sale of European starch facilities	Ingredients	211.06	0.4	n.a
24/05/2007	Zetar Plc	Britannia Biscuits Company	Snack Products	29.78	6.6	138.7
11/06/2007	British Seafood Ltd	Five Star Fish Ltd	Seafood Products	35.00	1.0	5.9
30/06/2007	Bannerbrick Ltd	Brake Bros Ltd	Frozen and chilled foods	1,355.9	0.8	12.6
10/07/2007	Sangs Holdings Ltd	Sangs (Banff) Ltd	Manufactures soft drinks	9.4	0.7	7.8
12/07/2007	Marstons Plc	Ringwood Brewery Ltd	Brews beer	17.4	1.8	10.2
24/07/2007	RAR Portugal	Wight Salads Group Ltd	Produces and supplies tomatoes	20.0	0.3	5.7
26/07/2007	Youngs Bluecrest Seafood	Seafood Company Ltd	Chilled & Frozen seafood	44.0	0.7	8.3
05/08/2007	MBI	Pets Choice Ltd	Pet Foods	1.0	0.1	1.1
07/08/2007	CSM NV, Netherlands	Kates Cakes Holdings Ltd	Produces handmade cakes	32.5	n.a	19.3
17/08/2007	Maple Leaf Food Inc	La Fornaia Ltd	Specialist Baker	19.9	2.0	9.6
07/09/2007	Glisten Plc	Dormen Foods Ltd	Savoury snacks & seed ingredients	12.0	2.1	16.2
17/09/2007	MBI	Symingtons Ltd	Dry grocery products	41.8	0.9	8.1
19/09/2007	Finsbury Food Group Plc	Anthony Alan Foods Ltd	Cakes	3.7	0.3	n.a
01/10/2007	Danish Crown, Denmark	Geo Adams & Sons Ltd	Meat and meat products	41.8	0.5	13.4
13/10/2007	MM Bidco Ltd	Maximuscle Ltd	Sport nutrition products	74.7	3.6	13.6
29/10/2007	MBI	Peters Food Service Ltd	Savoury Products	20.0	0.4	7.3
05/11/2007	Glisten Plc	FDS Informal Foods Ltd	Manufactures snack products	1.7	0.7	2.1
04/12/2007	Wellness Foods Ltd	Dorset Cereals Ltd	Breakfast Cereals	50.4	3.8	31.2
06/12/2007	Dairy Crest Group Plc	Fayrefield-Foodtec Ltd	Food Ingredients	7.1	0.7	n.a
13/12/2007	Greencore Group Plc, Ireland	Danone Mineral Water Facility,	Produces mineral water	16.7	n.a	12.3

Source: Press Releases/Company House/Oghma Partner LLP estimates

N.B. Consideration as noted may include or exclude net debt; EBIT and EBITDA may be impacted by undisclosed charges

# UK Food & Beverage Sector selected M&A transactions 2008/9 YTD

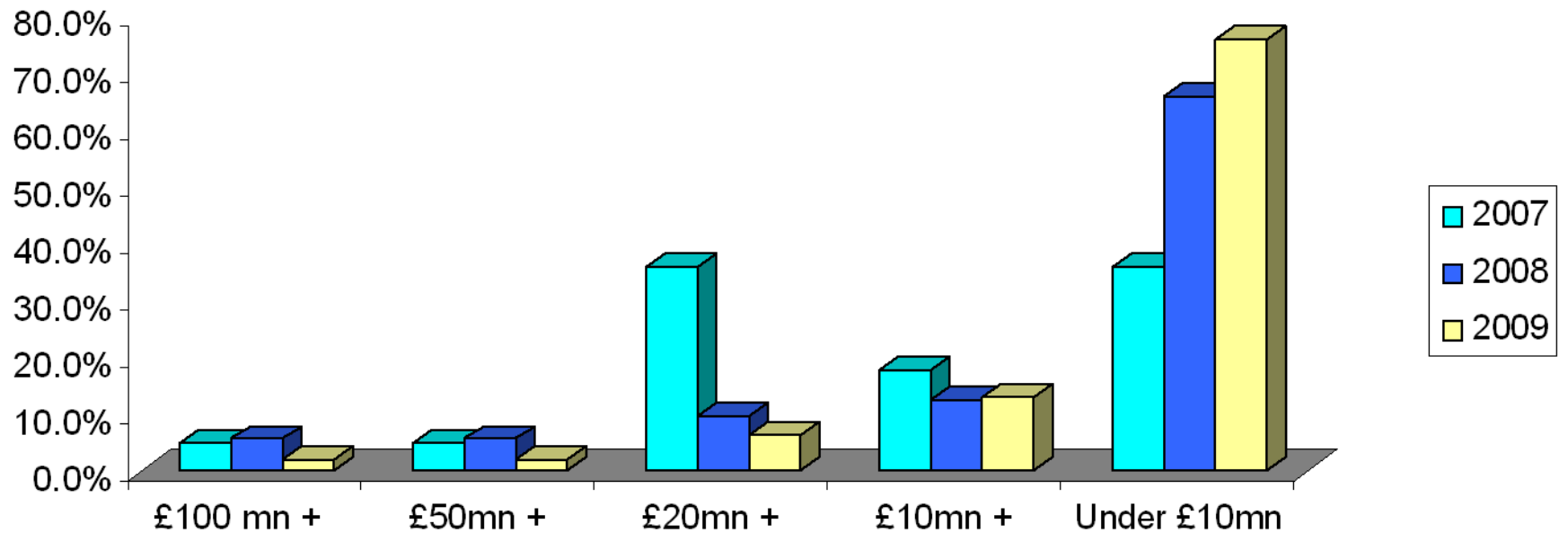


Announced	Bidder	Target	Target Product Line	Consideration/EV £mn	Price/ Sales x	Price/ EBITDA x
25/01/2008	Carlsberg/Heineken	Scottish & Newcastle Plc	Brewer	9,584.0	3.2	19.7
12/03/2008	Tyrrells Group Holdings Ltd	Tyrrells Potato Chips Ltd	Snack Products	40.7	3.1	20.1
04/04/2008	AB Agri Ltd	Premier Nutrition Products Ltd,	Animal Feed	14.9	n.a	6.0
07/04/2008	Livwell Ltd	A&P Foods	Gluten free pre-mixes	9.3	n.a	28.8
15/04/2008	CSM NV, Netherlands	Harden Fine Foods Ltd	Baked Goods	6.9	n.a	6.2
01/05/2008	PepsiCo Inc, USA	Vitamin Brands Ltd	Soft drinks	11.3	16.2	n.a
14/06/2008	Vion NV, Netherlands	Grampian Country Food Group Ltd	Meat Products	350.0	n.a	9.8
02/07/2008	RAR - Portugal	Vitacress Salads Ltd	Fresh Produce	61.1	0.7	9.5
21/07/2008	Fleming Family & Partners	Clipper Teas Ltd	Hot Beverages	31.5	1.7	14.3
22/07/2008	Lion Capital	FoodVest Group	Frozen Foods	1,100.0	1.1	8.7
05/08/2008	AG Barr Plc, Scotland	Rubicon Drinks Ltd	Soft drinks	59.8	2.1	22.8
08/08/2008	Wynnstay Group Plc	Welsh Feed Producers Ltd	Animal Feeds	5.4	n.a	18.2
10/12/2008	Nichols Plc	50% of Dayla Liquid Packing Ltd	Soft Drinks	7.5	1.6	14.1
05/01/2009	Frutarom	Oxford Chemicals Ltd	Specialist Ingredients	8.2	1.2	7.3
27/03/2009	Yoplait, France	Yoplait Dairy Crest Ltd	Dairy Products	63.5	0.5	3.2
06/04/2009	Cranswick Plc	Bowes of Norfolk Ltd	Meat Products	17.2	0.2	5.7
06/04/2009	Coca-Cola Inc	30% of Innocent Drinks	Soft Drinks	30.0	0.9	8.8
20/04/2009	MBI	Pet Business of Cranswick Plc	Pet Products	17.0	0.4	n.a
01/05/2009	Tilbury Property Ltd, England	Baked Snacks Company Ltd	Baked Snacks	6.7	3.3	n.a
29/05/2009	Molson Coors	Cobra Beer	Alcoholic Beverages	28.0	0.6	n.a
20/07/2009	Jonathan Skofic	TSC Foods Ltd	Chilled Foods	23.0	0.7	4.3
27/08/2009	Kiotech International	Optivite Ltd	Animal Nutrition	3.4	0.3	5.1
27/08/2009	C&C Group	Various UK Larger Assets of ABI	Alcoholic Beverages	180.0	1.1	8.2

Source: Press Releases/Company House/Oghma Partner LLP estimates  
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Deal Activity by Size (%) 2007-2009 (YTD)





**Oghma Partners LLP** is an advisory firm specialising in the European Consumer Industry with a specific focus on the Food and Beverage Sectors. Established in January 2008 and backed by acknowledged industry experts with substantial experience, the business offers a differentiated service to both public and private companies.

Oghma Partners LLP provides advice on mergers, acquisitions and divestments; corporate development and business strategy. The firm accesses detailed industry data and offers an independent flexible service.

**Our Team;** the business was founded by two ex Goldman Sachs employees Mark Lynch and Tim Potter. Recently two new partners have joined; Andrew Manders (ex KPMG) and Tim Owen (ex Citibank). Alongside the partners are five Associate Partners including ex UBS beverage analyst John Spicer. In addition the firm has two Advisors; Mark Robinson (ex Head of M&A at Tate & Lyle) and Tracey Campbell (ex Capital International).

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