



Global Alcoholic Drinks

Industry Profile

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EXECUTIVE SUMMARY

Market Value

The global alcoholic drinks market grew by 2.4% in 2006 to reach a value of \$812.4 billion.

Market Value Forecast

In 2011, the market is forecast to have a value of \$903.6 billion, an increase of 11.2% since 2006.

Market Volume

The market grew by 1.8% in 2006 to reach a volume of 160.2 billion liters.

Market Volume Forecast

In 2011, the market is forecast to have a volume of 172.5 billion liters, an increase of 7.7% since 2006.

Market Segmentation I

Sales of beer, cider and FABs account for 48.7% of the global market's values.

Market Segmentation II

Europe accounts for 59% of the global market's value.

Market Share

Anheuser-Busch Company accounts for 9.7% of the global market's value.

Distribution

On-trade sales distribute 38.7% of the market.

TABLE OF CONTENTS

| | |
|---|-----------|
| EXECUTIVE SUMMARY | 3 |
| CHAPTER 1 Market Overview | 7 |
| 1.1 Market Definition | 7 |
| 1.2 Research Highlights | 7 |
| 1.3 Market Analysis | 8 |
| CHAPTER 2 Market Value | 9 |
| CHAPTER 3 Market Volume | 10 |
| CHAPTER 4 Market Segmentation I | 11 |
| CHAPTER 5 Market Segmentation II | 12 |
| CHAPTER 6 Market Share | 13 |
| CHAPTER 7 Competitive Landscape | 14 |
| CHAPTER 8 Leading Companies | 15 |
| 8.1 Anheuser-Busch Companies, Inc. | 15 |
| 8.2 Inbev | 15 |
| 8.3 SABMiller | 15 |
| CHAPTER 9 Distribution | 16 |
| CHAPTER 10 Market Forecasts | 17 |
| 10.1 Market Value Forecast | 17 |

CONTENTS



| | |
|------------------------------------|-----------|
| 10.2 Market Volume Forecast | 18 |
| CHAPTER 11 Further Reading | 19 |
| 11.1 Sources | 19 |
| 11.2 Related Datamonitor Research | 19 |

LIST OF TABLES

| | | |
|----------|---|----|
| Table 1: | Global Alcoholic Drinks Market Value: \$ billion, 2002-2006 | 9 |
| Table 2: | Global Alcoholic Drinks Market Volume: Liters billion, 2002-2006 | 10 |
| Table 3: | Global Alcoholic Drinks Market Segmentation I: % Share, by Volume, 2006 | 11 |
| Table 4: | Global Alcoholic Drinks Market Segmentation II: % Share, by Value, 2006 | 12 |
| Table 5: | Global Alcoholic Drinks Market Share: % Share, by Volume, 2006 | 13 |
| Table 6: | Global Alcoholic Drinks Distribution: % Share, by Volume, 2006 | 16 |
| Table 7: | Global Alcoholic Drinks Market Value Forecast: \$ billion, 2006-2011 | 17 |
| Table 8: | Global Alcoholic Drinks Market Volume Forecast: Liters billion, 2006-2011 | 18 |

CHAPTER 1 MARKET OVERVIEW

1.1 Market Definition

The alcohol drinks market consists of beers, ciders & FABs, spirits and wines. The market is valued according to retail selling price (RSP) and includes any applicable taxes. Any currency conversions used in the creation of this report have been calculated using constant 2005 annual average exchange rates.

For the purpose of this report, the European market is deemed to consist of Belgium, the Czech Republic, Denmark, France, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Russia, Spain, Sweden and the UK.

Asia-Pacific consists of Australia, China, India, Japan, Singapore and South Korea and Taiwan.

The Americas consists of the US, Canada, Brazil and Mexico.

The global market consists of Europe, Asia-Pacific and the Americas.

1.2 Research Highlights

The global alcoholic drinks market generated total revenues of \$812.4 billion in 2006, this representing a compound annual growth rate (CAGR) of 2.1% for the five-year period spanning 2002-2006.

Market consumption volumes increased with a CAGR of 1.8% between 2002-2006, to reach a total of 160.2 million liters in 2006.

The performance of the market is forecast to accelerate, with an anticipated CAGR of 2.2% for the five-year period 2006-2011 expected to drive the market to a value of \$903.5 billion by the end of 2011.

1.3 Market Analysis

Following a period of small but steady annual increases in growth rate, growth of the global alcoholic drinks market is set to continue in the same manner over the next five years.

The global alcoholic drinks market generated total revenues of \$812.4 billion in 2006, this representing a compound annual growth rate (CAGR) of 2.1% for the five-year period spanning 2002-2006. In comparison, the European and Asia-Pacific markets grew with CAGRs of 1.9% and 3.1% over the same period, to reach respective values of \$479.6 billion and \$140 billion in 2006.

Market consumption volumes increased with a CAGR of 1.8% between 2002-2006, to reach a total of 160.2 million liters in 2006. The market's volume is expected to rise to 172.5 million liters by the end of 2011, this representing a CAGR of 1.5% for the 2006-2011 period.

Beer, cider and FAB sales proved the most lucrative for the global alcoholic drinks market in 2006, generating total revenues of \$395.9 billion, equivalent to 62% of the market's overall value. In comparison, sales of spirits generated revenues of \$39.2 billion in 2006, equating to 28% of the market's aggregate revenues.

The performance of the market is forecast to accelerate, with an anticipated CAGR of 2.2% for the five-year period 2006-2011 expected to drive the market to a value of \$903.5 billion by the end of 2011. Comparatively, the European and Asia-Pacific markets will grow with CAGRs of 1.8% and 3.8% respectively over the same period, to reach respective values of \$525 billion and \$169 billion in 2011.

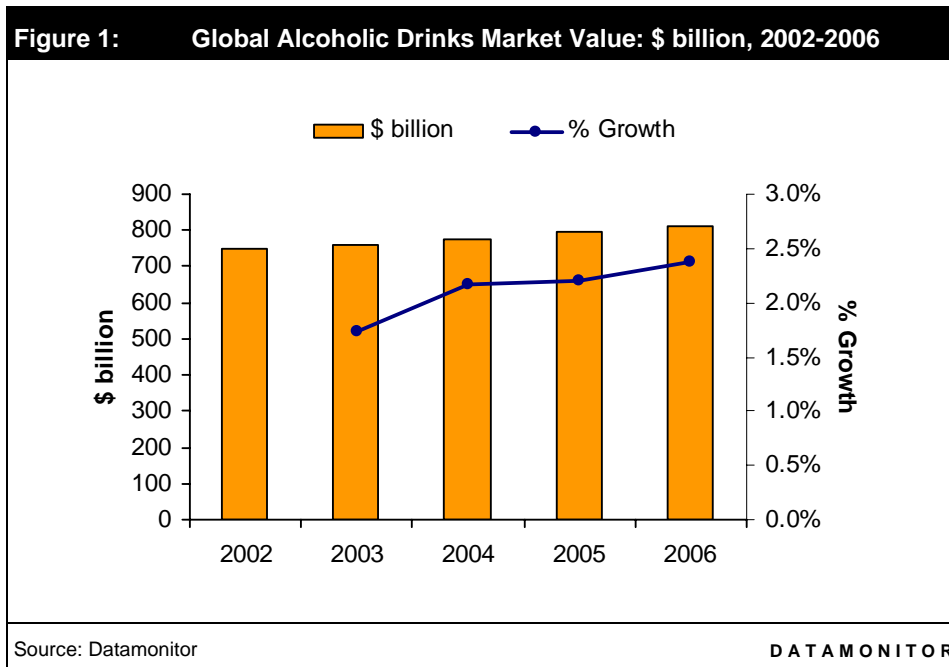
CHAPTER 2 MARKET VALUE

The global alcoholic drinks market grew by 2.4% in 2006 to reach a value of \$812.4 billion.

The compound annual growth rate of the market in the period 2002-2006 was 2.1%.

| Table 1: Global Alcoholic Drinks Market Value: \$ billion, 2002-2006 | | |
|---|-------------------|-----------------|
| Year | \$ billion | % Growth |
| 2002 | 747.0 | |
| 2003 | 760.0 | 1.70% |
| 2004 | 776.4 | 2.20% |
| 2005 | 793.5 | 2.20% |
| 2006 | 812.4 | 2.40% |
| CAGR, 2002-2006: | | 2.1% |

Source: Datamonitor DATAMONITOR



CHAPTER 3 MARKET VOLUME

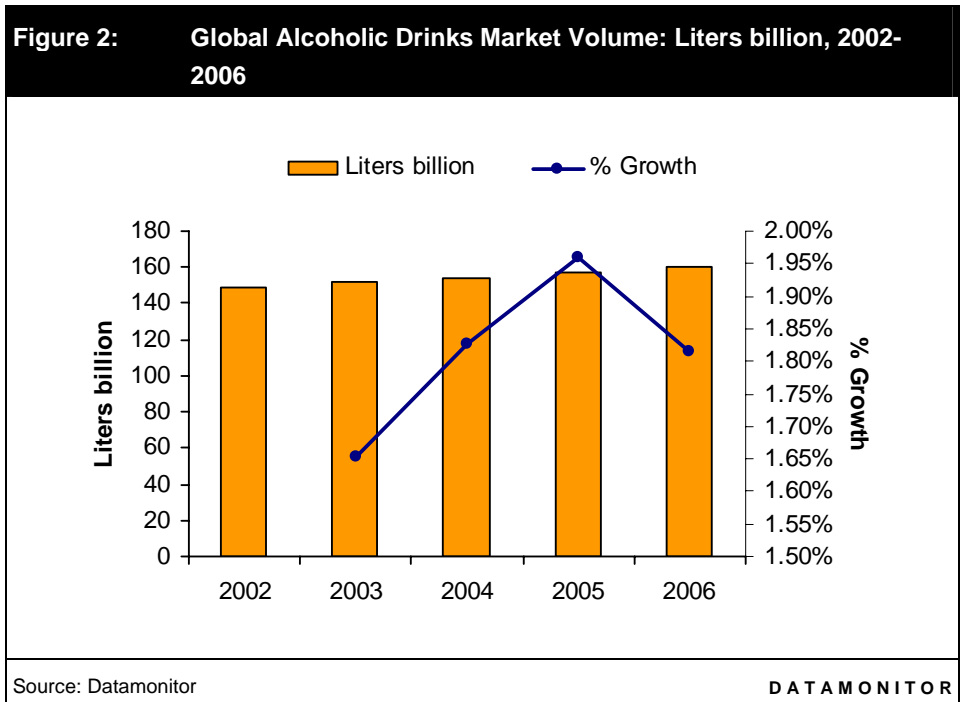
The global alcoholic drinks market grew by 1.8% in 2006 to reach a volume of 160.2 billion liters.

The compound annual growth rate of the market volume in the period 2002-2006 was 1.8%.

Table 2: Global Alcoholic Drinks Market Volume: Liters billion, 2002-2006

| Year | Liters billion | % Growth |
|-------------------------|----------------|-------------|
| 2002 | 149.1 | |
| 2003 | 151.5 | 1.70% |
| 2004 | 154.3 | 1.80% |
| 2005 | 157.3 | 2.00% |
| 2006 | 160.2 | 1.80% |
| CAGR, 2002-2006: | | 1.8% |

Source: Datamonitor DATAMONITOR



CHAPTER 4 MARKET SEGMENTATION I

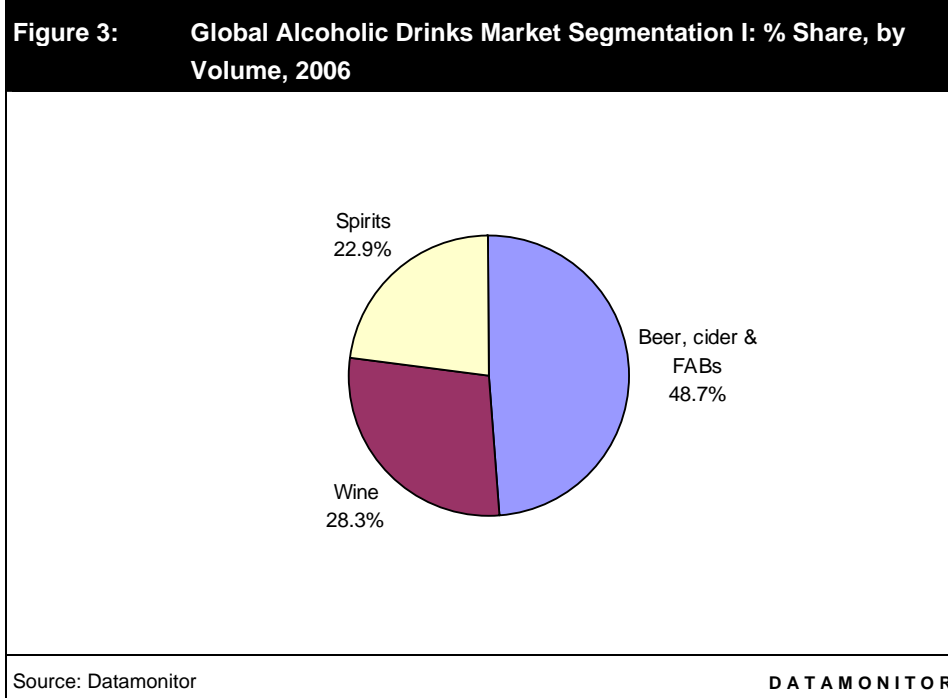
Sales of beer, cider and FABs account for 48.7% of the global market's values.

In comparison, sales of wine generate 28.3% of the regional market's revenues.

Table 3: Global Alcoholic Drinks Market Segmentation I: % Share, by Volume, 2006

| Market | % Share |
|--------------------|---------------|
| Beer, cider & FABs | 48.70% |
| Wine | 28.30% |
| Spirits | 22.90% |
| Total | 100.0% |

Source: Datamonitor DATAMONITOR



CHAPTER 5 MARKET SEGMENTATION II

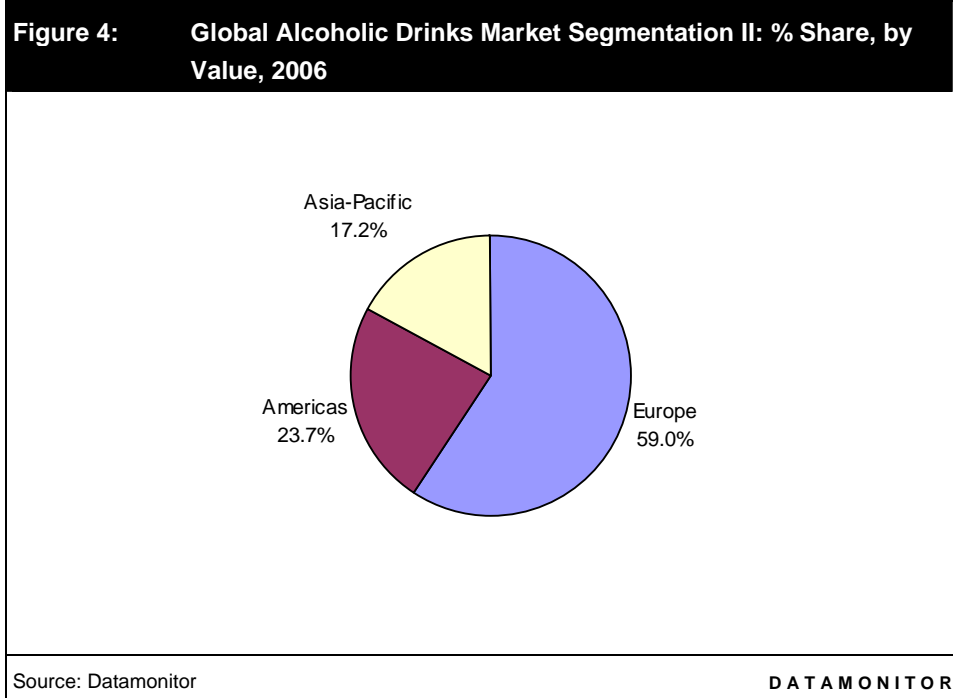
Europe accounts for 59% of the global market's value.

In comparison, the Americas generate 23.7% of the global market revenues.

Table 4: Global Alcoholic Drinks Market Segmentation II: % Share, by Value, 2006

| Geography | % Share |
|--------------|---------------|
| Europe | 59.00% |
| Americas | 23.70% |
| Asia-Pacific | 17.20% |
| Total | 100.0% |

Source: Datamonitor DATAMONITOR



CHAPTER 6 MARKET SHARE

Anheuser-Busch Company accounts for 9.7% of the global market's value.

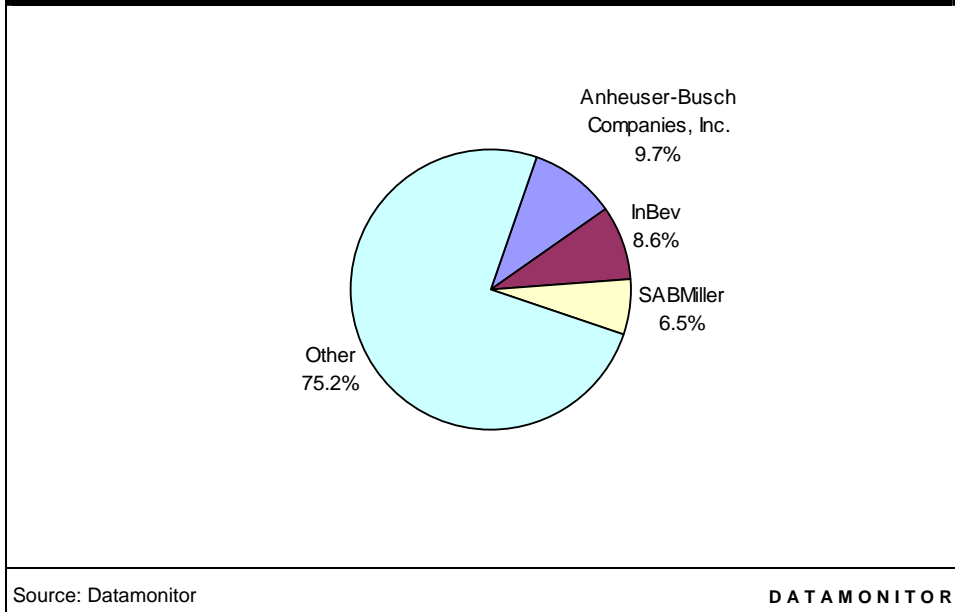
In comparison, InBev generates 8.6% of the global market revenues.

Table 5: Global Alcoholic Drinks Market Share: % Share, by Volume, 2006

| Company | % Share |
|--------------------------------|---------------|
| Anheuser-Busch Companies, Inc. | 9.70% |
| InBev | 8.60% |
| SABMiller | 6.50% |
| Other | 75.20% |
| Total | 100.0% |

Source: Datamonitor DATAMONITOR

Figure 5: Global Alcoholic Drinks Market Share: % Share, by Volume, 2006



CHAPTER 7 COMPETITIVE LANDSCAPE

Anheuser-Busch Companies, Inc. leads the global alcoholic drinks market, with production in 2005 amounting to 15.2 billion liters, this accounting for 9.7% of the market's volume. Other significant players include InBev, whose production of 13.6 billion liters comprises 8.6% of the market's value, and SABMiller, whose 10.3 billion liters production volume equates to a 6.5% share of the market.

On-trade forms the most significant distribution channel for alcoholic drinks globally, accounting for 38.7% of the market by value. Supermarkets and hypermarkets distribute products worth 20.8% of the market, whilst specialist retailers account for 12% of the market's total.

CHAPTER 8 LEADING COMPANIES

8.1 Anheuser-Busch Companies, Inc.

Anheuser-Busch Companies (Anheuser-Busch) is a leading brewer of beer in the US. The group is also engaged in the packaging and entertainment businesses. The group operates primarily in the US. It also owns a 50% stake in Grupo Modelo, Mexico's leading brewer, and a 27% stake in Tsingtao, the top brewer in China. It is headquartered in St Louis, Missouri.

The group recorded revenues of \$15,035.7 million during the fiscal year ended December 2005, an increase of 0.7% over 2004. The company's net profit was \$1,839.2 million in fiscal year 2005, a decrease of 17.9% over 2004.

8.2 Inbev

InBev is the leading global brewer by volume, formed due to merger between Interbrew and AmBev in 2004. InBev has a portfolio of over 200 brands, including Stella Artois, Brahma, Beck's, Leffe and Skol. The company primarily operates in the Americas, Europe and Asia Pacific. It is headquartered in Leuven, Belgium.

The company recorded revenues of \$14.6 billion during the fiscal year ended December 2005, an increase of 36% over 2004. The operating profit of the company was \$2.7 billion during fiscal year 2005, an increase of 67.3% over 2004. The net profit was \$1.1 billion in fiscal year 2005, an increase of 25.7% over 2004.

8.3 SABMiller

SABMiller is engaged in the production and retailing of beer, malts and carbonated soft drinks. Its brands include international premium beers such as Peroni Nastro Azzurro, Pilsner Urquell, Miller Genuine Draft and Castle Lager, as well as local brands, such as Miller Lite, Aguila, Tyskie and Snow. The company primarily operates in the Americas, South Africa and Europe. It is headquartered in London, the UK.

The company recorded revenues of \$15,307 million during the fiscal year ended March 2006, an increase of 18.6% over 2005. The net profit was \$1,440 million in fiscal year 2006, a decrease of 5.3% from 2005.

CHAPTER 9 DISTRIBUTION

On-trade sales distribute 38.7% of the global alcoholic drinks market.

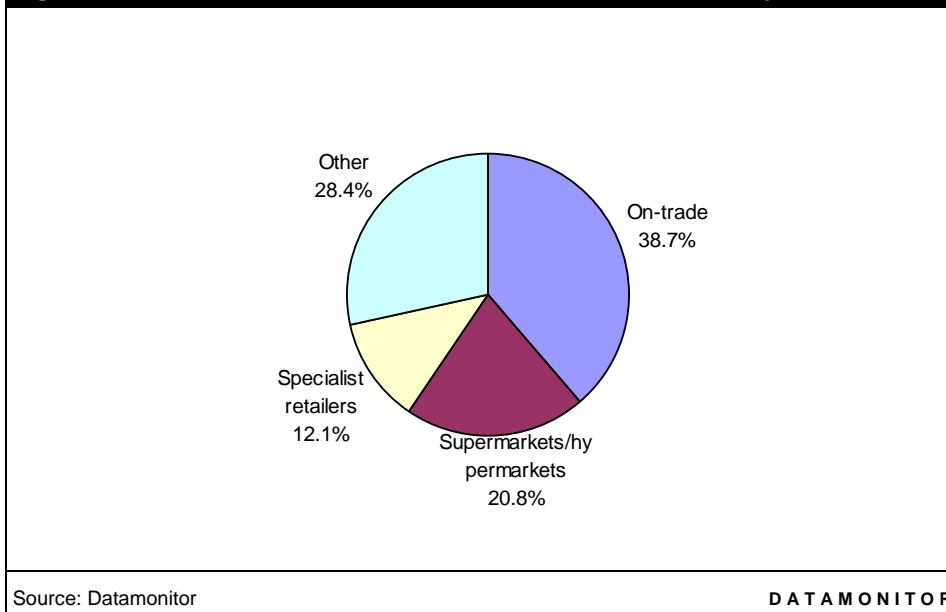
In comparison, supermarkets and hypermarkets distribute products worth 20.8% of the market's revenues.

Table 6: Global Alcoholic Drinks Distribution: % Share, by Volume, 2006

| Channel | % Share |
|---------------------------|---------------|
| On-trade | 38.70% |
| Supermarkets/hypermarkets | 20.80% |
| Specialist retailers | 12.10% |
| Other | 28.40% |
| Total | 100.0% |

Source: Datamonitor DATAMONITOR

Figure 6: Global Alcoholic Drinks Distribution: % Share, by Volume, 2006



CHAPTER 10 MARKET FORECASTS

10.1 Market Value Forecast

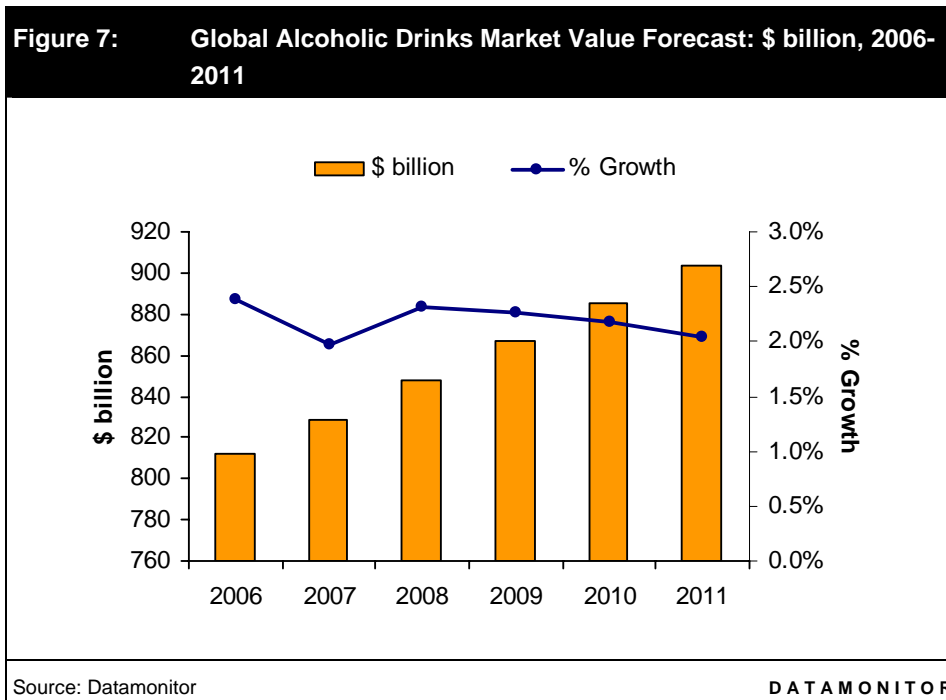
In 2011, the global alcoholic drinks market is forecast to have a value of \$903.6 billion, an increase of 11.2% since 2006.

The compound annual growth rate of the market in the period 2006-2011 is predicted to be 2.2%.

Table 7: Global Alcoholic Drinks Market Value Forecast: \$ billion, 2006-2011

| Year | \$ billion | % Growth |
|-------------------------|------------|-------------|
| 2006 | 812.4 | 2.40% |
| 2007 | 828.3 | 2.00% |
| 2008 | 847.6 | 2.30% |
| 2009 | 866.7 | 2.30% |
| 2010 | 885.5 | 2.20% |
| 2011 | 903.6 | 2.00% |
| CAGR, 2006-2011: | | 2.2% |

Source: Datamonitor DATAMONITOR



10.2 Market Volume Forecast

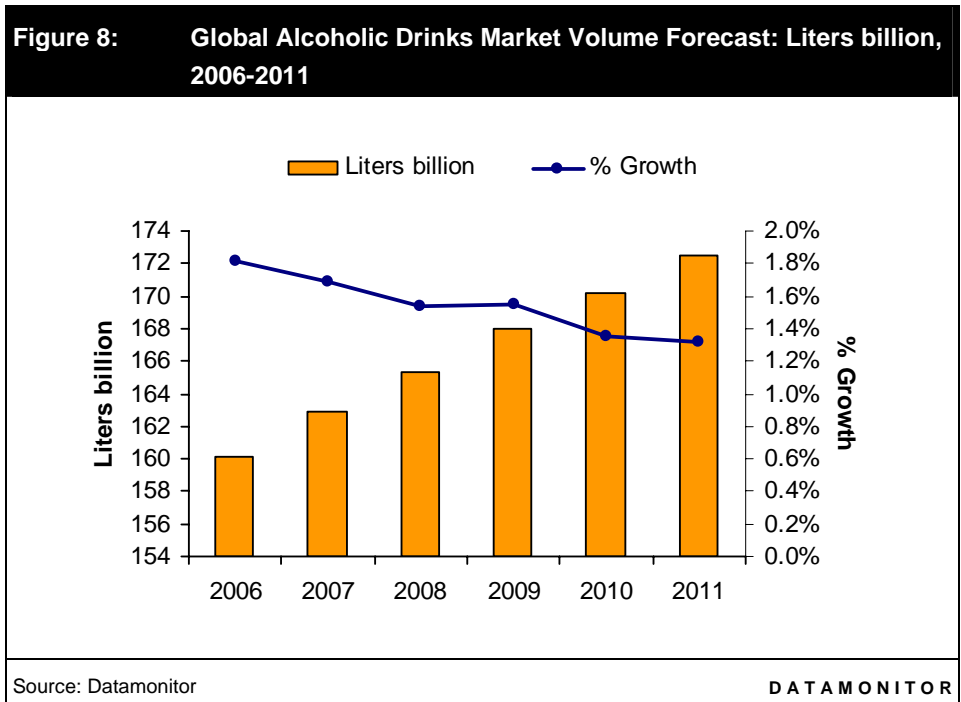
In 2011, the global alcoholic drinks market is forecast to have a volume of 172.5 billion liters, an increase of 7.7% since 2006.

The compound annual growth rate of the market volume in the period 2006-2011 is predicted to be 1.5%.

Table 8: Global Alcoholic Drinks Market Volume Forecast: Liters billion, 2006-2011

| Year | Liters billion | % Growth |
|-------------------------|----------------|-------------|
| 2006 | 160.2 | 1.80% |
| 2007 | 162.9 | 1.70% |
| 2008 | 165.4 | 1.50% |
| 2009 | 167.9 | 1.50% |
| 2010 | 170.2 | 1.40% |
| 2011 | 172.5 | 1.30% |
| CAGR, 2006-2011: | | 1.5% |

Source: Datamonitor DATAMONITOR



CHAPTER 11 FURTHER READING

11.1 Sources

This report is based on a combination of primary Datamonitor research, including online, face-to-face and telephone interviews with consumer and industry players, and secondary research using various sources (including trade associations, news providers and others).

Industry Associations

International Federation of Wines and Spirits

18, rue d'Aguesseau,
F-75008 - Paris, France
Tel: 33 1 4268 8248
Fax: 33 1 4006 0698
<http://www.fivs.org>

Confederation of the Food and Drink Industries in the EU

Avenue des Arts 43,
B-1040 Brussels, Belgium
Tel: 32 2 514 1111
Fax: 32 2 511 2905
<http://www.ciaa.be>

11.2 Related Datamonitor Research

Datamonitor Industry Profiles

Alcoholic Drinks in Asia-Pacific (\$200)
Alcoholic Drinks in Australia (\$200)
Alcoholic Drinks in Belgium (\$200)
Alcoholic Drinks in Brazil (\$200)
Alcoholic Drinks in Canada (\$200)
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Alcoholic Drinks in Germany (\$200)