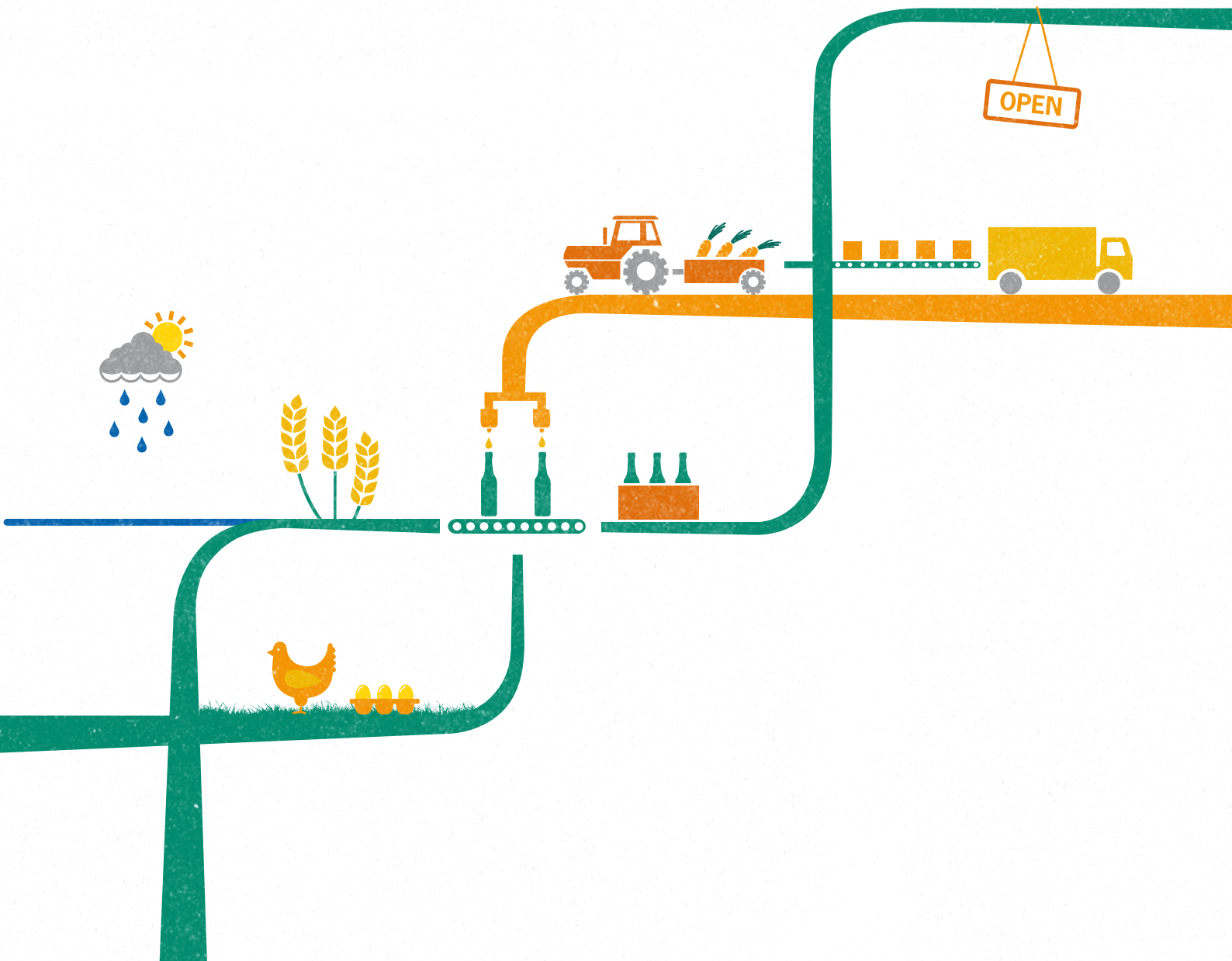




Grant Thornton

An instinct for growth™

Our global capabilities:
Food and Beverage



Food and Beverage: an industry poised for growth

The Food and Beverage sector is poised for growth around the world. After years of uncertainty, retrenchment and delayed investments, business leaders are investing in new products and markets, distribution channels and improved capacity. Emerging markets and shifting consumer demand present important growth opportunities, whilst executives contend with rising input prices and growing regulation of supply-chain traceability and product-integrity.

Grant Thornton Food and Beverage specialists work with you to turn these sector trends to your advantage through business planning, improving the productivity and efficiency of your operations, meeting regulatory requirements and supporting international expansion.

Global industry trends

Tapping into emerging market growth

The population and wealth of emerging markets such as China and India are growing rapidly. By adapting products to local consumer tastes and mastering regulations around ownership and repatriation of profits, Food and Beverage businesses can unlock opportunities from expanding their boundaries.

Our Food and Beverage specialists can support your business expansion plans into new markets by navigating complex mergers and acquisitions with businesses already established in these markets; exploring risks; demonstrating where changing rules and regulations create opportunities; and identifying where incentives and tax breaks may be used to your advantage.



Expanding footprint in existing markets

The industry has seen a lot of M&A activity in recent years. While this slowed in the first half of 2013, the market remains fairly robust. We can work with you to identify target companies which would complement your existing operations, support deal due diligence and advise on financing options.

The Food and Beverage industry is also innovating to reflect growing consumer trends across healthy, organic and ethnic food, many of which were only niche markets a decade ago. Accessing the scientific tax credits and grants available for R&D in the sector and leveraging supplier relationships could enable you to stay ahead in aligning your products to changing consumer tastes.

Managing increasing costs

Major meteorological events in recent times including floods and droughts in key food producing countries such as Bangladesh and Russia have reduced supply and driven up commodity prices. The power of major retailers means producers are unable to pass these rising costs on, squeezing margins. Fuel and transportation costs have also increased significantly; a key issue in large countries such as Australia, Canada and the US.

Commodity prices cannot be altered but they can be managed. We can work with you on productivity and efficiency gains, for example, by looking at how commodities are processed and waste managed within your organisation or optimising operations across your supply chain.

Food safety regulations: traceability, labelling and nutrition.

Food safety regulations are developing across the globe, creating significant incremental costs for producers. Legislation is increasing, from how food is handled and processed within a facility to prevent food safety issues, such as the US Food Safety Modernisation Act, through to encouraging healthy eating, such as the European trans-fat taxes. An increasingly ethical and health conscious consumer is also demanding higher levels of supply chain traceability from farm to table.

Structuring your operations efficiently to deal with evolving regulatory issues and establishing internal food safety governance and controls can support how you respond to increasing regulation. You may also review your focus, getting rid of non-core business and activities, to enable you to focus on your core product lines and markets that will create future growth.

Labour challenges

In many countries, young people no longer aspire to work in manufacturing and processing environments. Combined with a tightening of some immigration laws, this is creating challenges for producers with roles that require processing tasks.

Navigating the economic and regulatory backdrops of working in economies throughout the world, can enable you to expand where labour is plentiful or to look at automating or outsourcing processes where labour is more scarce. Automation may also have a role to play in addressing labour challenges in your business.

“Recently there have been positive economic indicators, such as housing starts in the US, the improvement in eurozone economic activity, and consumer-credit delinquency rates heading back to normal. These indicators create optimism for the Food and Beverage industry.”

Jim Menzies
Global leader
Food and Beverage

“Increased export trade opens up opportunities, but poses real challenges as multiple players chase the same opportunity in competition with local suppliers.”

Ian Scott
Grant Thornton South Africa

Our solutions

Whether expanding in existing or new markets, managing costs, or addressing regulation, Grant Thornton's specialists can provide pragmatic expertise to help you unlock your potential for growth. In an industry with international supply chains and market opportunities, you can access Food and Beverage specialists who combine international and domestic expertise across our global organisation. At Grant Thornton, we study industry trends and issues closely so that we better understand the challenges our clients face and apply this understanding to provide well rounded solutions.

Issue	Solution	Benefit
Tapping into emerging market demand	Merger and acquisition, business planning and international tax advice Identify and manage risk	Business growth in new markets
Expanding footprint in existing markets	Merger and acquisitions advice Advise on tax credits available for R&D Re-financing	Increased market share in existing markets
Managing increasing costs	Productivity improvement Re-structure operations	Improved profitability
Labour challenges	Location advice based on labour conditions Outsource non-core services	Increased capacity
Food regulations	Organisations structuring Internal governance and controls	Risk managed

In addition, we provide a full range of assurance, tax and advisory services tailored to Food and Beverage companies around the world.

Clients we serve

Grant Thornton serves a diverse range of Food and Beverage clients throughout the supply chain. Unlike our larger competitors, who work almost exclusively with large companies, and our smaller competitors, who rarely work with big organisations, the breadth of our client base has allowed us to gain valuable insight into the complexity of how different businesses operate and the variety of issues and risks they face.

Many of Grant Thornton's clients are either privately held or family owned businesses. It has taken drive and determination to get those businesses to where they are today. Our experience has given us the understanding to help clients at every stage of their development, whether they are emerging, growing, maturing or in transition. Grant Thornton can provide the right advice to take your business forward.



Selected Food and Beverage clients

Archer Daniels Midland Company

Bibendum

Bonduelle

Chia Inc.

Danone

Fromageries Bel

Pizza Express

Premier Fishing

Saputo

Spier Group

The Edrington Group

United Spirits

A global team

Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice.

Proactive teams, led by approachable partners, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions. More than 40,000 Grant Thornton people across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work.

Canada



Jim Menzies

Global leader

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Jim is an assurance partner at Grant Thornton Canada and also leads Grant Thornton's global food and beverage industry team. He serves several food and beverage companies with Canadian and international operations. Jim has been featured in a number of food and beverage publications and regularly contributes thought leadership pieces and delivers presentations to food and beverage associations around the world.

UK



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Trefor leads the food and beverage team for Grant Thornton in the UK. The team is made up of over 60 members from across our offices and service lines and works with around 500 clients from all parts of the sector, ranging from smaller growing businesses to large multinationals.

Ireland



Patrick Burke

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Patrick is an audit partner and national leader of the multidisciplinary food and beverage group at Grant Thornton Ireland. He has worked extensively with some of the firm's largest clients including listed companies, multinationals and entrepreneurial companies. Patrick has extensive experience advising both growing and successful and food and beverage businesses. He also leads the firm's CSR initiative.

US



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Dexter is an audit and consulting partner and leads the US food and beverage practice. He has over 25 years of experience including 8 years as the Chief Financial Officer of a regional beverage distribution company. Dexter serves both public and private companies and provides services in auditing, due diligence, internal controls, SEC reporting and compliance and employee benefit plan design and operations. Dexter serves on the advisory board of Food Processing Magazine and is a frequent speaker and writer on food and beverage topics and trends.

Australia



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Tony is an external audit director and head of Grant Thornton Australia's food, beverage and agribusiness industry team. Tony provides specialist skills to mid-cap and mid-market businesses in auditing, accounting, due diligence, management reporting and business planning. Tony has extensive experience in the food and beverage industry throughout the supply chain from market gardening, meat processing, food distribution and retailing.

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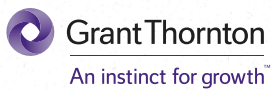
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