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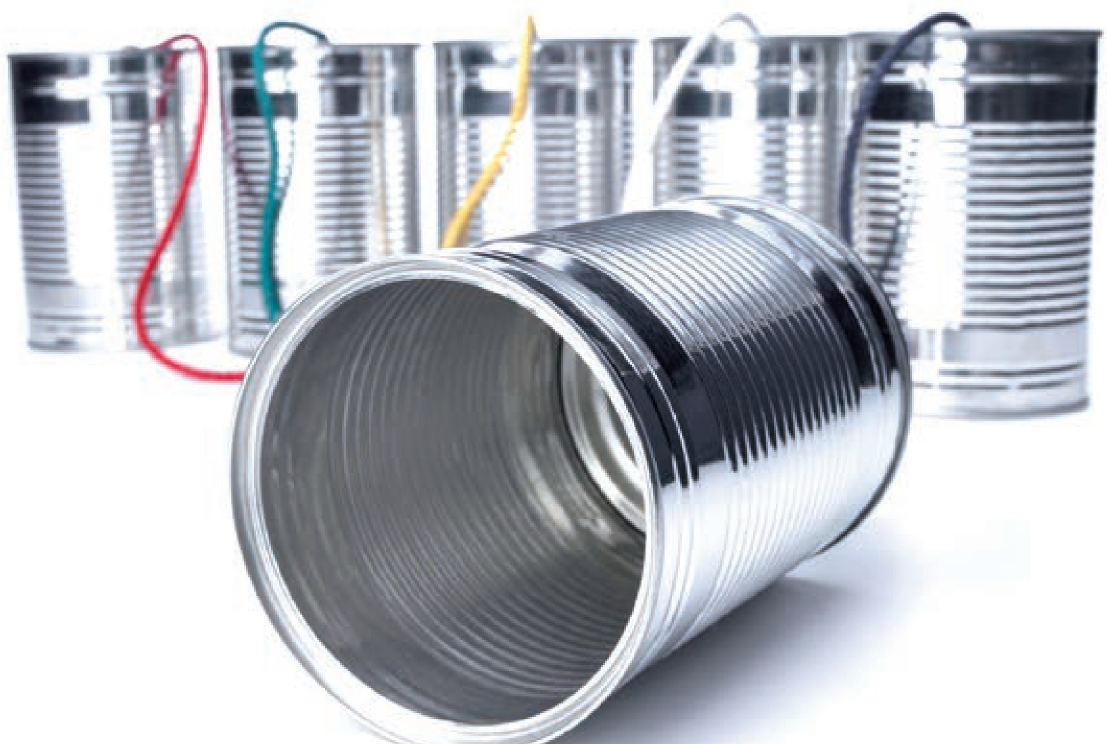
Global Powers of Consumer Products 2013

Engaging the connected consumer



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Global Powers of the Consumer Products Industry 2013

Deloitte Touche Tohmatsu Limited (DTTL) is pleased to present the 6th 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 2011 (encompassing companies' fiscal years ended through June 2012).

Deloitte published the first *Global Powers* report for the consumer products industry six years ago, which covered the 2006 fiscal period. This year's report, in addition to analyzing the industry's performance in 2011, will look back over the intervening years at the changing landscape of the consumer products industry and the history behind some of its largest companies.

The report also provides an outlook for the global economy, an analysis of market capitalization in the industry, and an assessment of the increasing impact that digitally empowered consumers are having on the industry.

Global economic outlook
The economic situation for consumer products companies

Each time it appears that the global economy is about to accelerate, something happens to throw a wrench into the wheels of growth. In 2012, that wrench was the crisis in the Eurozone. With much of Europe in recession, European demand for imported goods declined, thereby having a negative impact on many of the world's leading economies. It is often forgotten that the EU remains the world's largest economy, indeed larger than the U.S. and of great importance to global commerce. In 2012, we saw the economies of the U.S., China, Japan, India, and Brazil slow down as the long arm of the European crisis reached across the globe. Moreover, the slowdown in these critical economies influenced economic performance in their neighborhoods. For example, many economies in East Asia were negatively influenced by the slowdown in China.

Observers who speak of the end of globalization are clearly wrong. Those who believe that the fate of emerging economies is no longer tied to that of the developed economies are also incorrect. Thus, what happens in Europe in the coming year will likely have a significant impact on the rest of the world.

The good news is that there is light at the end of the tunnel. Europe is likely to recover modestly in 2013, thereby having a positive impact on its trading partners. Moreover, growth is likely to continue at a decent pace in the U.S., China is likely to rebound from its relatively slow growth of 2012, and Japan is set to embark on a new policy that could bear significant fruit.

Western Europe

As of this writing, much of Western Europe is in recession. This results from several factors. First, nearly every country on the continent is cutting its fiscal deficit through tax increases and spending reductions. This has a negative impact on economic activity. Second, the fear that the Eurozone will fail led to a perception of currency risk within the Eurozone. This means that lenders require a risk premium in order to provide credit in countries perceived at risk. These include Spain, Portugal, Italy, and Greece. The result is a decline in credit market activity in these countries. Third, the EU has compelled banks to recapitalize through reductions in lending and the sale of assets. Again, the impact is to discourage private credit market activity. Finally, the huge uncertainty about the economic future of Europe has led businesses to curtail capital spending.

Meanwhile, negotiations continue on the best path forward for the Eurozone. There is general agreement that failure would entail huge and unacceptable costs in the form of a severe economic downturn. Thus, the Eurozone must be fixed. But how? The consensus is that the Eurozone requires three forms of integration to succeed. First, there needs to be a banking union with a central authority to supervise and recapitalize banks. Negotiations have been under way among EU members to achieve this goal. The EU leadership hopes to achieve a banking union in 2013.

Second, some mechanism will be needed to assure sovereign debt repayment that is not overly onerous for member countries. Currently, efforts at fiscal consolidation are backfiring in that they are leading to further suppression of economic activity, thus leading to reduced tax revenue and still large fiscal deficits. If Eurozone debt could be consolidated, shared, or replaced by Eurobonds, repayment would be far easier – especially if a dedicated stream of revenue could be secured to fund debt servicing. However, opponents fear that, unless there is a central authority with the power to enforce fiscal probity, such debt consolidation would be a bottomless pit.

Finally, some form of fiscal and political union will probably be needed, making the Eurozone more like a single national entity rather than simply a fragmented monetary union. The problem is that such a move is politically difficult. Such nation building usually entails decades or even centuries to evolve. Yet Europe has a few years at most to achieve this goal before the whole enterprise unravels.

What is the alternative to success? For the time being, the alternative is to simply muddle along from one crisis to another, with slow economic growth and continued economic uncertainty. Yet such a situation cannot last indefinitely. Failure to grow could ultimately lead voters to reject political parties that favor the continuation of the Eurozone. In the long-run, failure is the only real alternative to further integration.

Notably, there are some positive things happening in Europe today. First, the value of the euro has fallen significantly in the past few years, leading to increased competitiveness on the part of European exports. In addition, wage restraints combined with productivity improvements in Southern Europe has helped to restore some of the lost competitiveness that was at the heart of the crisis in the first place.

Second, the European Central Bank has promised to undertake unlimited purchases of sovereign debt from countries that submit to conditional bailouts from Europe's new bailout facility. Just the existence of this promise, which has not yet been implemented, has been sufficient to significantly lower sovereign bond yields for such countries as Spain and Italy. The ECB program thus has drastically reduced the risk of imminent failure, thereby buying time for Europe to engage in longer-term solutions. Moreover, the ECB program has led to a decline in risk spreads (although they remain high), an end to capital flight from Southern Europe, a stabilization of bank deposits, and a notable recovery in business confidence.

Nevertheless, many problems remain. Political troubles in Spain, Italy, and Greece periodically threaten to unravel the progress that has been made. Austerity in these countries leads to recession, declining government revenue, and worsened deficits. It seems to be a self-defeating circle. Thus, a combination of Europe-wide reforms as well as national reforms (such as labor market liberalization) will be needed to bring these countries out of their doldrums.

China

By late 2012, China's economy appeared to be turning the corner following a rough year of decelerating growth. Indeed in 2012 the Chinese economy grew 7.8 percent, the slowest rate of growth since 1999. The main problem was exports, with Europe as the main culprit. By mid-2012, exports to the EU were down 12.7 percent from a year earlier. Chinese imports were down as well, partly due to declining commodity prices, but also reflecting weakening demand in China.

Industrial production was up a relatively modest amount in 2012. This meant that China's economy became weaker than had been expected. The worry was that the much anticipated soft landing would turn into a hard landing. Fortunately, this didn't happen.

To deal with the slowdown in economic activity, the government took a variety of actions. The central bank cut the benchmark interest rate and reduced banks' required reserves, thereby boosting bank lending. In addition, the government increased public investment in infrastructure. The result of these measures was positive. Bank lending increased, although not as much as had been hoped. The rise in credit market activity was very likely due to the cuts in interest rates and the reduction in banks' required reserves. Indeed the broad money supply accelerated as well. The question now is where policymakers will go from here. With a change of leadership having taken place in late 2012 and early 2013, major decisions are now awaited that will have both short- and long-term consequences. Still, most analysts expect better growth in 2013 than in 2012.

Longer term, China faces some serious challenges:

- First, too much of China's economic activity has been investment in fixed assets such as factories, shopping centers, apartment complexes, office buildings, and highways. This accounts for 48 percent of GDP. Much investment has had negative returns, resulting in large losses for state-run banks. Such investment fails to boost growth and represents a serious imbalance in the economy. Normal, sustainable growth will come from shifting resources away from investment and toward consumer spending. To accomplish this goal, China will have to privatize state-run banks and companies, liberalize credit markets, allow more currency appreciation, allow further increases in labor compensation, and provide a greater safety net in order to discourage high saving.

- Second, China's demographics are changing rapidly. Labor force growth is slowing. This will result in slower economic growth. It will also create shortage of labor, thus boosting wages. Indeed this is already happening. The result is that China's vast pool of cheap labor is dwindling. China's cost advantage for global manufacturers is declining. In fact, the wage differential with Mexico for manufacturing workers has nearly disappeared. Consequently, many manufacturers are shifting export oriented production out of China and into other countries such as Mexico and Vietnam.

- Third, China's next phase of growth will require better human capital, more efficient capital markets, and freer flow of information. These attributes will require economic and political reforms that will challenge the privileges of China's elite. As such, it will be politically difficult.

United States

As of this writing (mid-March, 2013), negotiations are under way to avoid a shut-down of the Federal government. Periodic crises involving budget negotiations have become a common feature of U.S. governance lately. The last crisis, the so-called "fiscal cliff," was averted at the last minute, but the resolution did involve an increase in the payroll tax. The next crisis, the "sequestration," was unresolved and automatic spending cuts went into effect in early March. Despite these episodes of fiscal contraction, the economy appears to be on a positive path. Assuming that nothing any worse takes place, here is a view of how the U.S. economy is likely to perform in 2013 and beyond.

The economy will probably grow a bit faster in 2013 than it did in 2012. U.S. consumer spending continues to increase despite the payroll tax increase, and the housing market is showing signs of significant strength. Consumers have experienced several positive factors lately. Among these are a substantially reduced level of debt and debt service payments, thereby significantly improving consumer cash flow; increased wealth through good performance of the equity market; accelerating employment growth and steady, if very modest, income growth; and finally, much increased confidence as measured by the leading indices of consumer confidence. All of this conspired to create modest growth of consumer spending, especially spending on automobiles. In addition, the housing market has gone from severe negative influence on economic growth to modest positive influence. Activity in the housing market has turned around, although it remains far below the levels reached during the last economic expansion. Home prices have risen, construction has accelerated, and turnover among new and existing homes has increased – all creating the conditions for more spending on things related to the home.

Of course 2012 saw significant negative factors as well. The recession in Europe led to a decline in U.S. exports to Europe and, consequently, a sharp slowdown in the growth of industrial output. Moreover, concerns about Europe and uncertainty about its future caused U.S. companies to cut back on capital spending. The result was a slowdown in the growth of economic activity in mid-2012 and, indeed, renewed fears of a double dip recession. Yet it appears as of this writing that the economy is doing better, especially as a European recovery is expected. Industrial production has started to recover and there are indications that business spending on capital goods is about to increase as well.

It seems likely that 2013 will be a moderately good year for the U.S. economy. Growth should pick up, inflation should remain subdued, and the policy environment might even be benign. However, what about the longer term? What can consumer product companies expect of the U.S. economic environment?

First, it is interesting that growth in 2012 came largely from consumers rather than exporters. It is interesting because this is not how the recovery began in 2009 and is not what one should expect going forward. Consumer spending remains an unusually and probably unsustainably high share of GDP following the debt-fueled boom of the last decade. Now, as consumers continue to deleverage, and as banks continue their effort to restore healthy balance sheets, it seems unlikely that consumer spending can again grow as fast as it did in recent years. Rather, consumer spending is likely to decline as a share of GDP while exports and business investment boost their share. The stage is already set. U.S. manufacturers are already more competitive due to a declining dollar, declining relative energy prices, and improved labor and productivity. Moreover, U.S. companies that sell or distribute consumer goods and services now recognize that their future growth depends on going global. They are increasingly focused on emerging markets, and not simply the BRICs, as these markets are expected to account for a disproportionate share of global growth in the coming decade.

Second, much has been said and written about the continued skewing of income distribution in the U.S. It continues apace and higher taxes on the wealthy will do little to offset this trend. The causes are many, but an imbalance in the labor market between the skills demanded and those supplied is the principal culprit. A shortage of skilled labor is boosting compensation for the highly-educated while a surplus of unskilled workers is suppressing compensation of everyone else. The result is hugely important for retailers and their suppliers. We are already witnessing a bifurcation of the consumer market, with upper end sellers focused on offering clearly differentiated, high quality goods in the context of a superior customer experience; while other sellers focus on offering the lowest price.

Finally, a very positive aspect to the U.S. outlook concerns energy. Due to a massive increase in production of natural gas and oil through new technologies, the U.S. is expected to become the world's largest producer of hydrocarbons by the end of the decade, and will be a net exporter of energy. This will have several implications. First, low energy prices will boost U.S. manufacturing competitiveness. Second, there will be a sizable improvement in the trade balance. Third, investment in energy will boost employment significantly. Finally, the switch from coal to natural gas will significantly reduce carbon emissions.

Japan

Japan's economy is on the verge of something new. After two decades of sluggish growth and declining prices, it appears that the country is about to embark on a new policy designed to boost growth and end deflation. In late 2012, Shinzo Abe and his Liberal Democratic Party (LDP) were returned to power with a promise to dramatically change economic policy. Most important is the change in monetary policy. Under pressure following the election, the Bank of Japan announced that it will boost its inflation target from 1.0 percent to 2.0 percent. In addition, it will engage in unlimited asset purchases until it meets its target. More importantly, Prime Minister Abe has appointed a new leadership to the Bank which is intent on ending two decades of deflation. In anticipation of this policy, the yen has fallen sharply, thereby boosting the competitiveness of Japanese exports. In addition, Japanese equity prices have risen, reflecting increased confidence that the economy will turn around.

The new government has also pledged to engage in significant fiscal stimulus in order to boost economic growth. This is despite the fact that Japan has a very high level of government debt. The new thinking is that the debt/GDP ratio has risen so high largely due to slow growth combined with deflation. The immediate goal is to boost growth and create inflation rather than worry about the absolute level of debt.

Finally, the new government has pledged to engage in free trade negotiations with the U.S. and other Asian nations. Most trade barriers involve regulatory obstacles rather than high tariffs. As such, Abe's commitment to freer trade is seen by some as a commitment to liberalizing the domestic market in Japan.

For sellers of consumer products, the current economic situation in Japan suggests continued weak sales growth and declining prices. Even with changes to economic policy, it will take time for them to work their way through to consumer behavior. Thus, companies should not expect much strength of demand in 2013. Even with economic reforms, there remain significant longer-term challenges including demographics and serious foreign competition. Yet Japan remains a very affluent society. For companies looking to tap into that affluence, Japan will remain an attractive market even if growth is slow.

Emerging markets

The slowdown in the global economy has taken a toll on many, but not all, emerging markets.

In Brazil, the slowdown in exports to Europe and China combined with the lagged effect of monetary policy tightening led to a substantial slowdown in growth in 2011 and 2012. To combat this, Brazil's central bank began a process of aggressive interest rate cuts starting in late 2011 and continuing through the autumn of 2012. In all, the benchmark interest rate was cut by more than 500 basis points, resulting in the lowest rate ever recorded. In addition, the government began a process of fiscal stimulus in 2012 which entailed tax cuts and spending increases. The result is expected to be a modest pickup in growth in 2013. The only problem is that this stimulatory policy was implemented even as inflation remained higher than desired. Thus, by late 2012, the central bank decided to stabilize interest rates and wait for inflation to decelerate before implementing further stimulus. In addition, the radical reduction in the benchmark rate helped to keep the currency from rising too far, thus reducing the risk that manufactured exports would become less competitive. As for Brazil's consumer market, it remains reasonably healthy. The biggest risk comes from a relatively high level of consumer debt.

In India, growth declined in 2012 as well. Yet unlike in Brazil, India's central bank has remained focused on inflation, even at the cost of delaying economic recovery. Much to the chagrin of the government and many businesses, the central bank has kept the benchmark interest rate relatively high, awaiting a drop in inflation. Meanwhile, the economy suffered in 2012 from the impact of a global slowdown as well as the effect of weak business confidence. In order to restore confidence, and set the stage for faster growth in the future, the government proposed a serious of major reforms aimed at boosting productivity. Among these was liberalization of foreign investment in retailing. As of this writing, it is not clear how successful the government will be in implementing its reform agenda. Elections must take place no later than 2014, and they may help to clarify the direction of policy.

In Russia, the economy continues to grow modestly, but high inflation led the central bank to raise interest rates. External weakness has been offset by strong domestic demand, but higher interest rates may hurt domestically driven growth – especially business investment and interest sensitive consumer spending. In addition, government incentives for consumer spending have expired as the government seeks to reduce its deficit. Thus the outlook for economic growth is modest at best.

Despite the weakness in the BRIC economies, some parts of the world have managed to grow strongly. These include the Andean countries of South America, much of sub-Saharan Africa, and some of the countries of Southeast Asia including Indonesia and the Philippines. As the global economy ultimately recovers, these regions stand to benefit.

Global trends affecting the industry in 2013

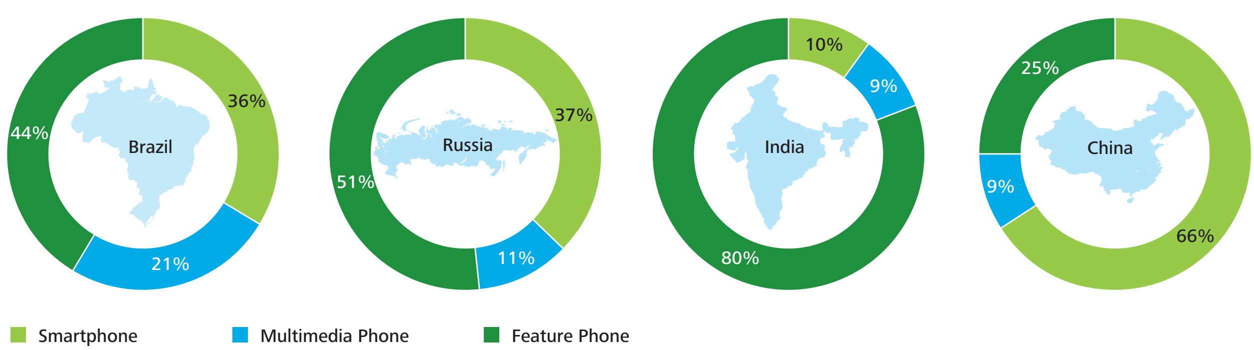
The digitally enabled consumer

The past few years have witnessed a revolutionary change in the way technology has permeated everyday life, providing access to information, connecting people with their personal networks, and enabling them to buy products or services. The exponential growth of smartphones and tablet users (46% and 98% respectively from 2011-2013), the rise of social media, and the need to be connected at all times are only a few signs of the major digital revolution we are currently experiencing. Moreover, this digital revolution is not limited to developed markets—countries typically referred to as 'emerging' markets are experiencing very similar trends. For example, among the high-growth BRIC markets, China is predominant in smartphone penetration, with two-thirds of subscribers using a smartphone (see chart below). Other BRIC countries like Brazil and Russia have a smartphone penetration of about one-third. Over all, the BRIC smartphone market is expected to grow by a spectacular 72% CAGR through 2015.[i]

The impact of this digital growth on consumer and shopper behavior cannot be underestimated. It affects the way consumers interact with brands, how they research products, purchase via multiple channels, and how they receive post-purchase customer service. The nature of this consumer interaction with brands ranges from engaging discussions via social media to purchasing products online via e-Commerce platforms. This trend is also being driven by traditional 'brick and mortar' retailers, who use digital as a new channel to reach consumers, as well as by the exponential growth of pure play online retailers. Amazon, for example, has been experiencing an average revenue growth of 30%+ annually for the past 10 years.[ii]

- Nearly half (48%) of all U.S. consumers already own a smartphone, and that number is rising fast. Tablet ownership doubled in the US to 19% in 2012 (Source: Forrester Research).
- Roughly 58% of consumers who own a smartphone have used it for store-related shopping. (Source: Dawn of Mobile Influence, Deloitte Research)

Mobile ownership in the BRIC markets by type of device
Among mobile subscribers aged 16+ first half 2012



Read as: As of the first half of 2012, 36 percent of mobile subscribers in Brazil owned a smartphone.

Source: Neilsen

i "Smartphones: Still Room to Grow in Emerging Countries" Nielsen newswire,18 January 2013

ii Source: Wiki invest: http://bit.ly/XCCuZm

Online consumer-to-consumer word-of-mouth and online consumer reviews are playing an increasingly important role in the consumers' path to purchase, with some 69% of global consumers being influenced by online reviews when deciding what product to purchase.[iii] In addition, a recent Deloitte UK study showed that one in four people research products and services online on a weekly basis before making a purchase.[iv] At the same time, according to Forrester Research, 50% of online retailers use customer reviews on their sites.

The aforementioned technological advancements and consumer behavioral changes pose significant challenges—and opportunities—for consumer products companies and brand owners when it comes to deepening the relationship with the consumer. In the coming months it is likely that leading consumer products companies will continue to connect with consumers in one or more of the ways described below.

Learning from retail

Retailers continue to be laser-focused on developing consistent omni-channel strategies and providing personalized customer experience. Many already use data analytics to dynamically adjust pricing across channels and to segment customers based on their individual preferences, as opposed to having a blanket customer segmentation scheme. Some global retailers have been adjusting operating models in order to meet changing consumer needs, for example, offering consumers the option of ordering online and picking up the product in their local store while providing full visibility of inventory and in-store product availability. Such personalized marketing campaigns and promotions based on individual shopper profiles —once a competitive advantage for leading retailers —are rapidly becoming the new Consumer Products industry standard and are increasingly expected by consumers around the globe.

Managing brand 'health' online

Unlike traditional media, in digital media brand owners do not control their brand messaging, as every consumer now has the ability to influence other consumers' perceptions of a brand. Given the need to keep up with and participate in these online exchanges, consumer products companies are establishing teams within their organizations to monitor online references and discussions about their brands, minimize 'damage' from negative publicity, and respond to consumers in real time. The selection and training of these teams can play a catalytic role in the brand owner's ability to effectively engage, attract and retain consumers. Such teams must be skillful in several areas, including marketing (so that the consumer interaction does not dilute the brands they represent) and legal (so that all communications are in line with the brand owner's legal guidelines). At the same time they must be sensitive to the local culture so as not to alienate consumers. Consumer products companies are also proactively establishing communities around consumers who have similar needs or interests, and while this is not a new trend, the success of these communities increasingly relies on the ability to add value for the consumer. Online communities of parents with young children, for example, have been more successful when they provide relevant, quality information on child development and involve specialists who address the parents' health and dietary concerns.

Designing and executing multi-channel strategies

Monitoring product offerings and price points (both for the brand owner and key competitors) across channels and platforms is likely to be a key focus area for consumer products companies.

- Global business-to-consumer e-commerce sales are expected to pass the 1 trillion euro ($1.25 trillion) mark by 2013
- The total number of Internet users will increase to approximately 3.5 billion from around 2.2 billion at the end of 2011

Source: Interactive Media in Retail Group (IMRG)

iii Ipsos Open Thinking Exchange (OTX)]

iv "Seeing the big picture: making sense of consumer data," Deloitte LLP, 2012

The omni-channel strategy of each may differ based on such elements as individual market strategy, geographic coverage, consumer affinity to the brand, and product availability, but the common denominator is that the design and execution of the omni-channel strategy need to be clearly defined and aligned with teams across multiple functions including Marketing, Sales, Finance, Supply Chain, and Analytics/Insights.

Increasing rigor of account management

Some leading consumer products companies have started to introduce new roles within their traditional account teams to focus exclusively on online retail businesses (either the online part of traditional brick and mortar retailers or pure online retailers). Collaboration with key online retailers, who are expected to be 'category winners' in the long run, will also play a major role in their future success in the online marketplace. Similar to the focus of consumer products companies on 'strategic partnerships' with traditional retailers in the past, it is likely that consumer products companies will increasingly try to create these 'win-win' relationships with online retailers. The benefits will not only include incremental sales from this channel, but a richer pool of consumer and shopper insights that can benefit both parties (making use of consumer products companies' rich perspectives on consumer preferences and online retailers' invaluable insights into the way that consumers research and purchase online).

Integrating consumer and shopper data

Given the proliferation of consumer touchpoints and channels (from traditional retail through social media, e-commerce, and mobile commerce), consumer products companies are likely to continue accumulating an enormous amount of data from various internal and external sources.

Many leading consumer products companies have started integrating these sources and, by using advanced analytics capabilities, are able to tailor their marketing campaigns, promotion tactics, and brand communications toward the individual consumer. Such cross-functional collaboration—especially between Marketing, Sales, and IT—will be crucial for the success of consumer products companies when it comes to developing commercial strategies and tactics based on the plethora of available data.

Adapting operating models

The opportunity for consumer products companies to manage their brands online, engage with consumers at an individual level, and drive sales through digital channels is significant. However, engaging the ever-changing, constantly connected consumer and succeeding in the digital world requires a very agile and sophisticated operating model. Consumer products companies are likely to address their operating models in three key areas:

1. **Governance and decision making.** Over the past few years, most consumer products companies have been going through major organizational design changes to balance global and regional decision making (in line with the retailers' own organization structure and consumers' regional differences). The growth of digital channels, from pure e-Retailers and traditional retailers with online presence, adds a new layer of complexity when it comes to forming teams with the relevant skillset and tools. For example, the account teams needs to reflect the proliferation of consumer touchpoints—from in-store, to e-commerce and m-commerce —to create a seamless consumer experience across all channels.

2. **Demand synchronization.** Many consumer products companies focus on the front-end, consumer-facing aspect of their business model. In many cases, however, delivering the most appropriate consumer experience requires seamless coordination of multiple functions, from supply chain, to demand planning, to website interface management. Companies that are not advancing their supply chain and demand planning processes are likely to struggle at delivering a consistent, high-quality consumer experience. Such lack of coordination is serious enough in a retail store as it can lead to 'out-of-stock' with a resulting loss in revenues. An 'out-of-stock' in a consumer products company's own website ordering system, where consumer expectations on product availability are much higher, may have the additional result of a dissatisfied consumer who will not re-visit the site and could disengage with the brand.

3. **Advanced data analytics**. Consumer products companies have traditionally led the way in gathering and analyzing consumer data. This has helped them develop targeted marketing campaigns, design trade promotion programs, and engage in a host of essential activities. But with the volume and variety of data availability growing exponentially, consumer products companies need to revisit their operating models to move from using data to simply "report" and enter the next level where they can integrate the plethora of data to make more informed, nuanced, and predictive business decisions.

   Many consumer products companies have not yet progressed beyond local analytics and are still challenged to capitalize on their existing data. Some leading consumer products companies are already elevating their data analytics capabilities from historical data evaluation and reporting to predictive analytics, scenario planning, and third-party digital data from mobile coupons and electronic tags. Consumer products companies that leverage data analytics in the context of cross-functional and integrated business planning and execution are likeliest to reap the most benefit from the huge amount of data currently available.

"Business-as-usual" is dead

The consumer products industry is at an inflection point in which companies can no longer rest on the historical strength of their brands alone. The disruptions discussed above will require companies to be agile, adaptive, and innovative. The consumer products companies that can address these cultural challenges are likeliest to differentiate themselves and capitalize on the growth of digital channels and platforms to develop meaningful and sustainable relationships with consumers.

Top 250 highlights

Rebound in consumer products industry continued in 2011 amid uncertain global economy

During fiscal 2011, the global economy remained in a state of uncertainty. Deteriorating business conditions in developed markets were triggered by such factors as the euro crisis and the failure of the U.S. government to agree on a path toward fiscal rectitude. Inflation emerged as a new global economic challenge, manifested by a substantial rise in the prices of almost all commodities. Natural disasters including the Great East Japan Earthquake and the Thailand floods contributed to the economic volatility.

Although the economy decelerated in 2011 in many of the world's leading markets, composite, currency-adjusted sales for the 250 largest consumer products companies grew 7.0 percent. This followed an 8.4 percent jump in sales in 2010, the beginning of the turnaround in the consumer products industry as it emerged from the global financial crisis of 2008. The industry's continued rebound was widespread—80 percent of Top 250 companies reported a sales increase in 2011. Among the 20 percent of companies with declining sales, half were Japanese, as Japan's economy contracted in the aftermath of the devastating earthquake and tsunami. The ongoing appreciation of the yen also remained an issue for Japan-based manufacturers throughout 2011.

Top-line gains translated into solid profitability for most consumer products companies. Nearly 90 percent of the companies that disclosed their bottom-line results (200 of 224) were profitable in 2011. The composite net profit margin for the 224 reporting companies was 6.5 percent, a solid result, but down from 8.5 percent in 2010. With asset turnover remaining at 0.9 times, return on assets for the Top 250 was 6.0 percent compared with 7.5 percent in 2010.

Total sales for the world's 250 largest consumer products companies exceeded $3 trillion in 2011. The average Top 250 company generated sales of $12.5 billion. To join the ranks of the Top 250 in 2011 required net sales of more than $3 billion, up from $2.5 billion in 2010.

Top 250 quick stats, 2011

- $3.12 trillion—aggregate net sales of Top 250 in US$
- $12.5 billion—average size of Top 250 consumer products companies
- $3.02 billion—minimum sales required to be on Top 250 list
- 7.0 percent—composite year-over-year sales growth
- 6.5 percent—composite net profit margin
- 0.9x—composite asset turnover
- 6.0 percent—composite return on assets
- 6.0 percent—composite compound annual sales growth, 2006-2011
- 27.1 percent—economic concentration of top 10

Top 250 consumer products companies

Sales Rank FY11	Company Name	Country of Origin	Region	Primary Product Sector	FY11 Net Sales (US$mil)	FY11 Net Sales Growth	FY11 Net Profit Margin	2006-2011 Net Sales CAGR[1]
1	Samsung Electronics Co., Ltd.	South Korea	Asia/Pacific	Electronic Products	150,152	6.7%	8.3%	14.1%
2	Apple Inc.	United States	North America	Electronic Products	108,249	66.0%	23.9%	41.2%
3	Panasonic Corporation	Japan	Asia/Pacific	Electronic Products	99,412	-9.7%	-10.4%	-2.9%
4	Nestlé S.A.	Switzerland	Europe	Food, Drink & Tobacco	94,704	-10.1%	11.7%	n/a
5	The Procter & Gamble Company	United States	North America	Personal & Household Products	83,680	1.4%	13.0%	1.8%
6	Sony Corporation	Japan	Asia/Pacific	Electronic Products	70,022	-12.3%	-6.1%	-6.1%
7	PepsiCo, Inc.	United States	North America	Food, Drink & Tobacco	66,504	15.0%	9.7%	13.6%
8	Unilever Group	Netherlands and United Kingdom	Europe	Personal & Household Products	64,721	5.0%	9.9%	3.2%
9	Kraft Foods Inc. (now Mondelēz International, Inc.)	United States	North America	Food, Drink & Tobacco	54,365	10.5%	6.5%	9.6%
10	Nokia Corporation	Finland	Europe	Electronic Products	53,846	-8.9%	-3.8%	-1.2%
11	LG Electronics Inc.	South Korea	Asia/Pacific	Electronic Products	49,373	-2.7%	-0.8%	3.2%
12	The Coca-Cola Company	United States	North America	Food, Drink & Tobacco	46,542	32.5%	18.6%	14.1%
13	Anheuser-Busch InBev SA/NV	Belgium	Europe	Food, Drink & Tobacco	39,046	7.6%	20.4%	18.5%
14	Bridgestone Corporation	Japan	Asia/Pacific	Tires	37,986	5.7%	3.6%	0.2%
15	JBS S.A.	Brazil	Latin America	Food, Drink & Tobacco	37,120	12.2%	-0.5%	70.4%
16	Mars, Incorporated	United States	North America	Food, Drink & Tobacco	33,000[e]	10.0%	n/a	9.5%
17	Japan Tobacco Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	32,272	2.5%	9.1%	4.4%
18	Tyson Foods, Inc.	United States	North America	Food, Drink & Tobacco	32,266	13.5%	2.3%	4.8%
19	Sharp Corporation	Japan	Asia/Pacific	Electronic Products	31,116	-18.7%	-15.2%	-4.7%
20	Philip Morris International Inc.	United States	North America	Food, Drink & Tobacco	31,097	14.3%	28.6%	ne
21	Lenovo Group Limited	Hong Kong	Asia/Pacific	Electronic Products	29,574	37.0%	1.6%	15.2%
22	Compagnie Générale des Établissements Michelin S.C.A.	France	Europe	Tires	28,858	15.8%	7.1%	4.8%
23	L'Oréal S.A.	France	Europe	Personal & Household Products	28,335	4.3%	12.0%	5.2%
24	Danone	France	Europe	Food, Drink & Tobacco	26,907	13.6%	9.6%	6.5%
25	British American Tobacco plc	United Kingdom	Europe	Food, Drink & Tobacco	24,706	3.5%	21.9%	9.5%
26	Imperial Tobacco Group PLC	United Kingdom	Europe	Food, Drink & Tobacco	24,398	1.1%	12.0%	36.9%
27	NIKE, Inc.	United States	North America	Fashion Goods	24,128	15.7%	9.2%	8.1%
28	Heineken N.V.	Netherlands	Europe	Food, Drink & Tobacco	23,850	6.1%	9.1%	7.7%
29	Haier Group Company	China	Asia/Pacific	Home Furnishings & Equipment	23,388	11.2%	n/a	7.0%
30	The Goodyear Tire & Rubber Company	United States	North America	Tires	22,767	20.9%	1.8%	2.4%
31	Suntory Holdings Limited	Japan	Asia/Pacific	Food, Drink & Tobacco	22,643	3.5%	3.8%	5.0%
32	Kirin Holdings Company, Limited	Japan	Asia/Pacific	Food, Drink & Tobacco	21,960	-4.7%	1.3%	6.7%

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Top 250 consumer products companies

Sales Rank FY11	Company Name	Country of Origin	Region	Primary Product Sector	FY11 Net Sales (US$mil)	FY11 Net Sales Growth	FY11 Net Profit Margin	2006-2011 Net Sales CAGR[1]
33	Henkel AG & Co. KGaA	Germany	Europe	Personal & Household Products	21,735	3.4%	8.2%	4.1%
34	Groupe Lactalis	France	Europe	Food, Drink & Tobacco	20,893	44.2%	n/a	14.9%
35	Kimberly-Clark Corporation	United States	North America	Personal & Household Products	20,846	5.6%	8.1%	4.5%
36	Whirlpool Corporation	United States	North America	Home Furnishings & Equipment	18,666	1.6%	2.2%	0.6%
37	adidas AG	Germany	Europe	Fashion Goods	18,586	11.3%	5.0%	5.8%
38	Research In Motion Limited	Canada	North America	Electronic Products	18,435	-7.4%	6.3%	43.4%
39	Diageo plc	United Kingdom	Europe	Food, Drink & Tobacco	17,057	8.3%	19.3%	7.5%
40	Colgate-Palmolive Company	United States	North America	Personal & Household Products	16,734	7.5%	15.3%	6.5%
41	SABMiller plc	United Kingdom	Europe	Food, Drink & Tobacco	16,713	10.4%	26.8%	2.4%
42	General Mills, Inc.	United States	North America	Food, Drink & Tobacco	16,658	11.9%	9.5%	6.0%
43	Altria Group, Inc.	United States	North America	Food, Drink & Tobacco	16,619	-1.6%	20.4%	-25.1%
44	LIXIL Group Corporation (formerly JS Group Corporation)	Japan	Asia/Pacific	Home Improvement Products	16,362	6.3%	0.0%	2.8%
45	Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA)	Mexico	Latin America	Food, Drink & Tobacco	16,321	19.9%	10.2%	9.9%
46	Acer Incorporated	Taiwan	Asia/Pacific	Electronic Products	16,247	-24.4%	-1.4%	5.2%
47	AB Electrolux	Sweden	Europe	Home Furnishings & Equipment	15,681	-4.4%	2.0%	-0.4%
48	BRF – Brasil Foods S.A.	Brazil	Latin America	Food, Drink & Tobacco	15,441	13.3%	5.3%	37.6%
49	Kao Corporation	Japan	Asia/Pacific	Personal & Household Products	15,408	2.5%	4.5%	-0.3%
50	Reckitt Benckiser Group plc	United Kingdom	Europe	Personal & Household Products	15,217	12.2%	18.5%	14.0%
51	Ajinomoto Co., Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	15,170	-0.9%	4.0%	0.7%
52	Cargill Meat Solutions Corporation	United States	North America	Food, Drink & Tobacco	15,000[e]	n/a	n/a	n/a
53	GD Midea Holding Co., Ltd.	China	Asia/Pacific	Home Furnishings & Equipment	14,428	24.9%	4.9%	34.5%
54	Meiji Holdings Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	14,055	-0.4%	0.6%	ne
55	Dr. August Oetker KG	Germany	Europe	Food, Drink & Tobacco	13,944[*]	5.9%	n/a	7.0%
56	BSH Bosch und Siemens Hausgeräte GmbH	Germany	Europe	Home Furnishings & Equipment	13,446	6.4%	3.9%	3.0%
57	Royal FrieslandCampina N.V.	Netherlands	Europe	Food, Drink & Tobacco	13,407	7.3%	2.2%	ne
58	ConAgra Foods, Inc.	United States	North America	Food, Drink & Tobacco	13,263	7.8%	3.6%	2.0%
59	Kellogg Company	United States	North America	Food, Drink & Tobacco	13,198	6.5%	9.3%	3.9%
60	Asahi Group Holdings, Ltd. (formerly Asahi Breweries, Ltd.)	Japan	Asia/Pacific	Food, Drink & Tobacco	13,150	-0.8%	5.3%	2.0%
61	Marfrig Alimentos S.A.	Brazil	Latin America	Food, Drink & Tobacco	13,146	37.8%	-3.4%	59.3%

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Top 250 consumer products companies

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62	ASUSTeK Computer Inc.	Taiwan	Asia/Pacific	Electronic Products	13,129	-10.6%	4.4%	-7.3%
63	Smithfield Foods, Inc.	United States	North America	Food, Drink & Tobacco	13,094	7.3%	2.8%	1.9%
64	Vion N.V.	Netherlands	Europe	Food, Drink & Tobacco	13,076	7.1%	0.1%	5.0%
65	Motorola Mobility Holdings, Inc.	United States	North America	Electronic Products	13,064	14.0%	-1.9%	ne
66	Dean Foods Company	United States	North America	Food, Drink & Tobacco	13,055	7.7%	-12.2%	5.3%
67	Dairy Farmers of America	United States	North America	Food, Drink & Tobacco	13,000	32.7%	0.3%	10.5%
68	Nippon Meat Packers, Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	12,895	2.9%	1.2%	0.8%
69	Gree Electric Appliances, Inc. of Zhuhai	China	Asia/Pacific	Home Furnishings & Equipment	12,886	37.6%	6.4%	25.9%
70	Land O'Lakes, Inc.	United States	North America	Food, Drink & Tobacco	12,849	15.3%	1.4%	12.6%
71	Maxingvest AG	Germany	Europe	Personal & Household Products	12,777	2.4%	3.1%	n/a
72	Uni-President Enterprises Corp.	Taiwan	Asia/Pacific	Food, Drink & Tobacco	12,709	11.5%	3.8%	8.4%
73	Svenska Cellulosa AB SCA	Sweden	Europe	Personal & Household Products	12,554	-25.5%	0.7%	-4.3%
74	Compagnie Financière Richemont SA	Switzerland	Europe	Fashion Goods	12,226	28.7%	17.4%	12.9%
75	Carlsberg A/S	Denmark	Europe	Food, Drink & Tobacco	11,882	5.8%	9.0%	9.1%
76	Yamazaki Baking Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	11,716	0.5%	0.9%	4.5%
77	H. J. Heinz Company	United States	North America	Food, Drink & Tobacco	11,649	8.8%	8.1%	5.3%
78	Nikon Corporation	Japan	Asia/Pacific	Electronic Products	11,639	3.5%	6.5%	2.2%
79	Avon Products, Inc.	United States	North America	Personal & Household Products	11,112	3.5%	4.6%	5.1%
80	Pernod Ricard S.A.	France	Europe	Food, Drink & Tobacco	11,013	7.5%	14.3%	5.0%
81	Alticor Inc.	United States	North America	Personal & Household Products	10,900	18.5%	n/a	11.6%
82	Grupo Bimbo, S.A.B. de C.V.	Mexico	Latin America	Food, Drink & Tobacco	10,811	14.1%	4.2%	16.0%
83	Hangzhou Wahaha Group Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	10,522[e]	23.7%	18.1%	29.4%
84	Stanley Black & Decker, Inc.	United States	North America	Home Improvement Products	10,376	23.4%	6.7%	20.9%
85	Arla Foods amba	Denmark	Europe	Food, Drink & Tobacco	10,262	12.0%	2.4%	3.8%
86	The Ferrero Group	Italy	Europe	Food, Drink & Tobacco	10,028	9.4%	n/a	5.2%
87	The Estée Lauder Companies Inc.	United States	North America	Personal & Household Products	9,714	10.3%	8.9%	6.7%
88	Danish Crown A/S	Denmark	Europe	Food, Drink & Tobacco	9,689	14.5%	3.4%	1.3%
89	Coca-Cola Hellenic Bottling Company S.A.	Greece	Europe	Food, Drink & Tobacco	9,547	0.9%	4.0%	4.1%
90	S.C. Johnson & Son, Inc.	United States	North America	Personal & Household Products	9,400[e]	4.4%	n/a	4.6%
91	V.F. Corporation	United States	North America	Fashion Goods	9,365	22.8%	9.4%	8.8%

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Top 250 consumer products companies

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92	TCL Corporation	China	Asia/Pacific	Electronic Products	9,212	14.7%	2.7%	4.9%
93	Luxottica Group S.p.A.	Italy	Europe	Fashion Goods	8,667	7.3%	7.4%	5.9%
94	Shiseido Company, Limited	Japan	Asia/Pacific	Personal & Household Products	8,646	1.7%	2.5%	-0.4%
95	Reynolds American Inc.	United States	North America	Food, Drink & Tobacco	8,541	-0.1%	16.5%	0.1%
96	Sumitomo Rubber Industries, Ltd.	Japan	Asia/Pacific	Tires	8,502	12.0%	4.7%	4.9%
97	Coca-Cola Enterprises, Inc.	United States	North America	Food, Drink & Tobacco	8,284	23.4%	9.0%	ne
98	Nintendo Co., Ltd.	Japan	Asia/Pacific	Leisure Goods	8,206	-36.2%	-0.0%	-7.7%
99	Sichuan Changhong Electric Co. Ltd	China	Asia/Pacific	Electronic Products	8,058	24.7%	0.6%	22.6%
100	Hormel Foods Corporation	United States	North America	Food, Drink & Tobacco	7,895	9.3%	6.1%	6.6%
101	Pirelli & C. S.p.A.	Italy	Europe	Tires	7,876	16.6%	7.6%	3.2%
102	Tingyi (Cayman Islands) Holding Corp.	China	Asia/Pacific	Food, Drink & Tobacco	7,867	17.7%	6.4%	27.5%
103	Campbell Soup Company	United States	North America	Food, Drink & Tobacco	7,719	0.6%	10.4%	1.0%
104	The Swatch Group Ltd.	Switzerland	Europe	Fashion Goods	7,659	10.7%	18.9%	7.0%
105	MillerCoors LLC	United States	North America	Food, Drink & Tobacco	7,550	-0.3%	13.4%	ne
106	Masco Corporation	United States	North America	Home Improvement Products	7,467	-1.6%	-7.1%	-10.2%
107	Morinaga Milk Industry Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	7,327	-0.8%	0.8%	0.0%
108	Sony Ericsson Mobile Communications AB	Sweden	Europe	Electronic Products	7,259	-17.2%	-4.3%	-13.8%
109	Dole Food Company, Inc.	United States	North America	Food, Drink & Tobacco	7,224	4.8%	0.6%	3.2%
110	Saputo Inc.	Canada	North America	Food, Drink & Tobacco	6,986	15.0%	5.5%	11.6%
111	National Beef Packing Company, LLC	United States	North America	Food, Drink & Tobacco	6,849	17.9%	3.8%	8.1%
112	Nippon Suisan Kaisha, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	6,817	8.8%	0.4%	-0.5%
113	Charoen Pokphand Foods PCL	Thailand	Asia/Pacific	Food, Drink & Tobacco	6,805	9.0%	7.6%	10.5%
114	Grupo Modelo, S.A.B. de C.V.	Mexico	Latin America	Food, Drink & Tobacco	6,796*	8.0%	20.2%	11.0%
115	Savola Group Company	Saudi Arabia	Africa/ Middle East	Food, Drink & Tobacco	6,721	19.8%	5.8%	22.6%
116	Jarden Corporation	United States	North America	Personal & Household Products	6,680	10.9%	3.1%	11.7%
117	Ralph Lauren Corporation (formerly Polo Ralph Lauren Corporation)	United States	North America	Fashion Goods	6,679	21.8%	9.9%	10.5%
118	Lotte Japan Group	Japan	Asia/Pacific	Food, Drink & Tobacco	6,614	-1.4%	0.9%	3.1%
119	Megmilk Snow Brand Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	6,454	1.0%	1.8%	ne

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120	Tönnies Lebensmittel GmbH & Co. KG (formerly B. & C. Tönnies Fleischwerk GmbH & Co. KG)	Germany	Europe	Food, Drink & Tobacco	6,407[e]	7.0%	n/a	10.8%
121	Ruchi Soya Industries Ltd.	India	Asia/Pacific	Food, Drink & Tobacco	6,272	66.6%	0.3%	27.4%
122	Mattel, Inc.	United States	North America	Leisure Goods	6,266	7.0%	12.3%	2.1%
123	Sodiaal Union	France	Europe	Food, Drink & Tobacco	6,159	68.1%	0.2%	17.2%
124	Mccain Foods Limited	Canada	North America	Food, Drink & Tobacco	6,084[e]	0.0%	n/a	0.3%
125	The Hershey Company	United States	North America	Food, Drink & Tobacco	6,081	7.2%	10.3%	4.2%
126	Groupe Terrena	France	Europe	Food, Drink & Tobacco	6,080	12.8%	0.5%	7.4%
127	Kewpie Corporation	Japan	Asia/Pacific	Food, Drink & Tobacco	6,076	3.3%	2.1%	1.3%
128	Groupe Bigard S.A.	France	Europe	Food, Drink & Tobacco	6,059[e]	-3.3%	n/a	35.7%
129	CJ CheilJedang Corp.	South Korea	Asia/Pacific	Food, Drink & Tobacco	5,950	15.3%	4.8%	20.0%
130	Red Bull GmbH	Austria	Europe	Food, Drink & Tobacco	5,924	12.4%	n/a	10.0%
131	Hankook Tire Co., Ltd.	South Korea	Asia/Pacific	Tires	5,905	11.6%	5.5%	15.4%
132	Dr Pepper Snapple Group, Inc.	United States	North America	Food, Drink & Tobacco	5,903	4.7%	10.3%	ne
133	Newell Rubbermaid Inc.	United States	North America	Personal & Household Products	5,865	1.8%	2.1%	-1.1%
134	The Yokohama Rubber Co., Ltd.	Japan	Asia/Pacific	Tires	5,842	n/a	2.6%	n/a
135	Essilor International (Compagnie Générale D'Optique) S.A.	France	Europe	Personal & Household Products	5,835	7.7%	12.4%	9.3%
136	Henan Shuanghui Investment & Development Co. Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	5,829	2.4%	1.7%	20.0%
137	Inner Mongolia Yili Industrial Group Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	5,803	26.2%	4.9%	17.7%
138	China Mengniu Dairy Company Limited	China	Asia/Pacific	Food, Drink & Tobacco	5,794	23.5%	4.8%	18.1%
139	Nichirei Corporation	Japan	Asia/Pacific	Food, Drink & Tobacco	5,764	3.9%	1.7%	-0.1%
140	Namco Bandai Holdings Inc.	Japan	Asia/Pacific	Leisure Goods	5,755	15.2%	4.3%	-0.2%
141	TOTO Ltd.	Japan	Asia/Pacific	Home Improvement Products	5,736	4.4%	2.2%	-2.4%
142	Itoham Foods Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	5,669	-1.9%	0.5%	-2.4%
143	Mohawk Industries, Inc.	United States	North America	Home Improvement Products	5,642	6.1%	3.2%	-6.5%
144	Nisshin Seifun Group Inc.	Japan	Asia/Pacific	Food, Drink & Tobacco	5,600	4.2%	3.2%	1.1%
145	Bongrain SA	France	Europe	Food, Drink & Tobacco	5,545	11.5%	1.3%	3.6%
146	Pioneer Corporation	Japan	Asia/Pacific	Electronic Products	5,534	-4.5%	1.0%	-11.2%
147	The J.M. Smucker Company	United States	North America	Food, Drink & Tobacco	5,526	14.5%	8.3%	20.8%
148	Groupe SEB	France	Europe	Home Furnishings & Equipment	5,520	8.5%	6.6%	8.4%
149	The Clorox Company	United States	North America	Personal & Household Products	5,468	4.5%	9.9%	2.4%
150	ITC Limited	India	Asia/Pacific	Food, Drink & Tobacco	5,461	17.5%	23.2%	15.3%
151	Barilla Holding S.p.A.	Italy	Europe	Food, Drink & Tobacco	5,454	0.3%	1.9%	-1.0%

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152	DMK Deutsches Milchkontor GmbH	Germany	Europe	Food, Drink & Tobacco	5,442	ne	0.1%	ne
153	Rolex SA	Switzerland	Europe	Fashion Goods	5,435[e]	26.3%	n/a	n/a
154	Unicharm Corporation	Japan	Asia/Pacific	Personal & Household Products	5,428	13.6%	7.2%	7.3%
155	PVH Corp. (formerly Phillips-Van Heusen Corporation)	United States	North America	Fashion Goods	5,410	28.2%	5.4%	23.9%
156	Arçelik A.Ş.	Turkey	Africa/ Middle East	Home Furnishings & Equipment	5,056	21.6%	6.4%	3.9%
157	Coca-Cola West Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	5,020	6.4%	1.8%	4.0%
158	Bacardi Limited	Bermuda	Latin America	Food, Drink & Tobacco	5,000[e]	0.0%	n/a	4.6%
159	Kohler Co.	United States	North America	Home Improvement Products	5,000[e]	6.8%	n/a	0.0%
160	PT Indofood Sukses Makmur Tbk	Indonesia	Asia/Pacific	Food, Drink & Tobacco	4,987	18.0%	10.8%	15.6%
161	Fraser and Neave, Limited	Singapore	Asia/Pacific	Food, Drink & Tobacco	4,981**	10.1%	17.8%	10.6%
162	Coca-Cola Amatil Limited	Australia	Asia/Pacific	Food, Drink & Tobacco	4,961	6.9%	12.2%	2.0%
163	Maple Leaf Foods Inc.	Canada	North America	Food, Drink & Tobacco	4,952	-1.5%	1.8%	-3.7%
164	Nissin Foods Holdings Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,823	1.5%	4.9%	1.2%
165	Perdue Farms, Inc.	United States	North America	Food, Drink & Tobacco	4,800[e]	0.8%	n/a	7.5%
166	Activision Blizzard, Inc.	United States	North America	Leisure Goods	4,755	6.9%	22.8%	25.7%
167	Ralcorp Holdings, Inc.	United States	North America	Food, Drink & Tobacco	4,741	17.1%	-3.9%	20.7%
168	Ito En, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,690	5.0%	2.5%	3.5%
169	Husqvarna Group	Sweden	Europe	Home Improvement Products	4,685	-5.8%	3.3%	0.6%
170	Levi Strauss & Co.	United States	North America	Fashion Goods	4,674	8.1%	2.8%	2.6%
171	GRUMA, S.A.B. de C.V.	Mexico	Latin America	Food, Drink & Tobacco	4,661	23.7%	10.1%	13.5%
172	Energizer Holdings, Inc.	United States	North America	Personal & Household Products	4,646	9.4%	5.6%	8.6%
173	Hanesbrands Inc.	United States	North America	Fashion Goods	4,637	7.2%	5.8%	1.0%
174	La Coop fédérée	Canada	North America	Food, Drink & Tobacco	4,618	15.3%	0.6%	7.5%
175	Coty Inc.	United States	North America	Personal & Household Products	4,600	12.2%	n/a	6.9%
176	Yamaha Corporation	Japan	Asia/Pacific	Leisure Goods	4,518	-4.6%	-8.2%	-8.3%
177	Lorillard, Inc.	United States	North America	Food, Drink & Tobacco	4,452	9.8%	25.1%	7.8%
178	Sapporo Holdings Limited	Japan	Asia/Pacific	Food, Drink & Tobacco	4,289	26.5%	0.9%	3.0%
179	Hasbro, Inc.	United States	North America	Leisure Goods	4,286	7.1%	9.0%	6.3%

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180	Puma SE formerly Puma AG Rudolf Dassler Sport)	Germany	Europe	Fashion Goods	4,191	11.2%	7.7%	4.9%
181	Vestel Elektronik Sanayi ve Ticaret A.Ş.	Turkey	Africa/ Middle East	Electronic Products	4,181	31.9%	-0.4%	5.9%
182	World Co., Ltd.	Japan	Asia/Pacific	Fashion Goods	4,180	8.0%	0.8%	-0.2%
183	China Yurun Food Group Limited	Hong Kong	Asia/Pacific	Food, Drink & Tobacco	4,152	50.5%	5.6%	47.5%
184	Electronic Arts Inc.	United States	North America	Leisure Goods	4,143	15.4%	1.8%	6.0%
185	Lion Corporation	Japan	Asia/Pacific	Personal & Household Products	4,113	-1.1%	1.4%	-0.2%
186	Cheng Shin Rubber Ind. Co., Ltd.	Taiwan	Asia/Pacific	Tires	4,100	20.0%	7.2%	20.1%
187	Hallmark Cards, Inc.	United States	North America	Leisure Goods	4,100	0.0%	n/a	0.0%
188	The Hillshire Brands Company (formerly Sara Lee Corporation)	United States	North America	Food, Drink & Tobacco	4,094	-52.8%	20.7%	-19.7%
189	Miele & Cie. KG	Germany	Europe	Home Furnishings & Equipment	4,075	3.1%	n/a	2.1%
190	Toyo Suisan Kaisha, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	4,067	4.9%	5.2%	-0.0%
191	JVCKENWOOD Corporation	Japan	Asia/Pacific	Electronic Products	4,065	-9.0%	1.9%	ne
192	Toyo Tire & Rubber Co., Ltd.	Japan	Asia/Pacific	Tires	4,062	9.0%	2.2%	0.0%
193	Swarovski AG	Austria	Europe	Fashion Goods	3,997	7.9%	n/a	3.9%
194	The Nisshin OilliO Group, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,961	2.4%	1.3%	5.3%
195	Yakult Honsha Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,960	2.2%	5.6%	2.7%
196	Indesit Company	Italy	Europe	Home Furnishings & Equipment	3,935	-1.9%	2.1%	-2.8%
197	Cooper Tire & Rubber Company	United States	North America	Tires	3,927	16.8%	6.9%	8.0%
198	L.D.C. SA	France	Europe	Food, Drink & Tobacco	3,844	8.6%	2.0%	12.0%
199	Casio Computer Co., Ltd.	Japan	Asia/Pacific	Electronic Products	3,822	-11.7%	0.9%	-13.4%
200	Société Coopérative Agricole et Agro-alimentaire AGRIAL	France	Europe	Food, Drink & Tobacco	3,782	20.1%	1.4%	12.3%
201	Seiko Holdings Corporation	Japan	Asia/Pacific	Fashion Goods	3,762	-5.4%	-3.4%	7.3%
202	D.E Master Blenders 1753 N.V.	Netherlands	Europe	Food, Drink & Tobacco	3,747	ne	4.7%	ne
203	The Jones Group Inc. (formerly Jones Apparel Group, Inc.)	United States	North America	Fashion Goods	3,734	3.9%	1.4%	-4.4%
204	Agropur Cooperative	Canada	North America	Food, Drink & Tobacco	3,702	9.1%	1.2%	9.8%
205	McCormick & Company, Inc.	United States	North America	Food, Drink & Tobacco	3,698	10.8%	10.1%	6.4%
206	Mead Johnson Nutrition Company	United States	North America	Food, Drink & Tobacco	3,677	17.0%	14.1%	ne
207	Del Monte Corporation	United States	North America	Food, Drink & Tobacco	3,676	0.3%	0.9%	1.5%
208	Ezaki Glico Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,674	2.1%	0.1%	1.5%
209	Techtronic Industries Co. Ltd.	Hong Kong	Asia/Pacific	Home Improvement Products	3,667	8.7%	4.1%	5.6%

[1] Compound annual growth rate
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
** Company's reported sales include unspecified excise taxes

Top 250 consumer products companies

Sales Rank FY11	Company Name	Country of Origin	Region	Primary Product Sector	FY11 Net Sales (US$mil)	FY11 Net Sales Growth	FY11 Net Profit Margin	2006-2011 Net Sales CAGR[1]
210	Arca Continental, S.A.B. de C.V. (formerly Embotelladoras Arca, S. A. B. de C. V.)	Mexico	Latin America	Food, Drink & Tobacco	3,622	65.5%	10.4%	21.9%
211	Skyworth Digital Holdings Limited	Hong Kong	Asia/Pacific	Electronic Products	3,618	15.6%	4.5%	17.5%
212	Fresh Del Monte Produce Inc.	United States	North America	Food, Drink & Tobacco	3,590	1.0%	2.6%	2.2%
213	Kikkoman Corporation	Japan	Asia/Pacific	Food, Drink & Tobacco	3,589	-0.1%	3.2%	-6.3%
214	Tsingtao Brewery Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	3,589	16.4%	7.8%	14.4%
215	Kumho Tire Co., Ltd.	South Korea	Asia/Pacific	Tires	3,563	11.9%	-0.7%	13.5%
216	Citizen Holdings Co., Ltd.	Japan	Asia/Pacific	Fashion Goods	3,545	-1.8%	2.8%	-3.6%
217	Fromageries Bel S.A.	France	Europe	Food, Drink & Tobacco	3,520	4.5%	3.8%	7.3%
218	Molson Coors Brewing Company	United States	North America	Food, Drink & Tobacco	3,516	8.0%	19.3%	-9.7%
219	Ashley Furniture Industries, Inc.	United States	North America	Home Furnishings & Equipment	3,510[e]	21.0%	n/a	2.4%
220	The Lego Group	Denmark	Europe	Leisure Goods	3,502	17.0%	22.2%	19.1%
221	HKScan Corporation	Finland	Europe	Food, Drink & Tobacco	3,470	17.9%	0.5%	21.7%
222	Herbalife Ltd.	United States	North America	Food, Drink & Tobacco	3,455	26.3%	11.9%	12.9%
223	Prima Meat Packers, Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,436	8.1%	1.9%	-0.7%
224	The TINE Group	Norway	Europe	Food, Drink & Tobacco	3,412	3.0%	4.8%	5.0%
225	Nippon Flour Mills Co., Ltd.	Japan	Asia/Pacific	Food, Drink & Tobacco	3,409	6.7%	2.3%	2.4%
226	E. & J. Gallo Winery	United States	North America	Food, Drink & Tobacco	3,400[e]	7.6%	n/a	4.7%
227	KT&G Corporation	South Korea	Asia/Pacific	Food, Drink & Tobacco	3,388	7.6%	21.9%	5.7%
228	Hisense Electric Co., Ltd.	China	Asia/Pacific	Electronic Products	3,371	10.0%	7.3%	12.5%
229	Konami Corporation	Japan	Asia/Pacific	Leisure Goods	3,367	3.0%	8.7%	5.9%
230	Natura Cosméticos S.A.	Brazil	Latin America	Personal & Household Products	3,359	8.9%	14.9%	15.2%
231	Fortune Brands Home & Security, Inc.	United States	North America	Home Improvement Products	3,329	ne	-1.0%	ne
232	Perfetti Van Melle S.p.A.	Italy	Europe	Food, Drink & Tobacco	3,300	5.5%	n/a	7.5%
233	Boparan Holdings Limited	United Kingdom	Europe	Food, Drink & Tobacco	3,298	161.5%	-0.8%	42.6%
234	Controladora Mabe S.A. de C.V.	Mexico	Latin America	Home Furnishings & Equipment	3,296[e]	2.2%	-2.1%	0.9%
235	Bestseller	Finland	Europe	Fashion Goods	3,216	19.7%	n/a	n/a
236	Premier Foods plc	United Kingdom	Europe	Food, Drink & Tobacco	3,208	-18.0%	-17.0%	15.8%
237	JELD-WEN, Inc.	United States	North America	Home Improvement Products	3,200[e]	6.7%	n/a	0.3%
238	Spectrum Brands Holdings, Inc.	United States	North America	Personal & Household Products	3,187	24.1%	-2.4%	4.5%
239	Total Produce plc	Ireland	Europe	Food, Drink & Tobacco	3,182	-2.5%	1.2%	7.7%
240	LG Household & Health Care Ltd.	South Korea	Asia/Pacific	Personal & Household Products	3,142	22.1%	7.9%	25.7%
241	ASICS Corporation	Japan	Asia/Pacific	Fashion Goods	3,140	5.3%	5.3%	5.0%

[1] Compound annual growth rate
n/a = not available
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e = estimate
* Unable to determine if company's reported sales exclude excise taxes
** Company's reported sales include unspecified excise taxes

Top 250 consumer products companies

Sales Rank FY11	Company Name	Country of Origin	Region	Primary Product Sector	FY11 Net Sales (US$mil)	FY11 Net Sales Growth	FY11 Net Profit Margin	2006-2011 Net Sales CAGR[1]
242	Chiquita Brands International, Inc.	United States	North America	Food, Drink & Tobacco	3,139	-2.7%	1.8%	-6.9%
243	Rinnai Corporation	Japan	Asia/Pacific	Home Furnishings & Equipment	3,125	3.0%	7.0%	1.0%
244	Wuliangye Yibin Co., Ltd.	China	Asia/Pacific	Food, Drink & Tobacco	3,125	30.7%	31.4%	22.2%
245	Funai Electric Co., Ltd.	Japan	Asia/Pacific	Electronic Products	3,119	-16.8%	-1.8%	-9.1%
246	Emmi Group	Switzerland	Europe	Food, Drink & Tobacco	3,081	1.4%	3.8%	3.1%
247	Westfleisch eG	Germany	Europe	Food, Drink & Tobacco	3,074	14.3%	0.2%	5.8%
248	Onward Holdings Co., Ltd.	Japan	Asia/Pacific	Fashion Goods	3,074	-0.9%	1.5%	-5.3%
249	Triskalia SCA (formerly Coopagri Bretagne Groupe)	France	Europe	Food, Drink & Tobacco	3,064[e]	0.0%	n/a	8.7%
250	Rich Products Corporation	United States	North America	Food, Drink & Tobacco	3,020[e]	2.0%	n/a	n/a

[1] Compound annual growth rate
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
** Company's reported sales include unspecified excise taxes

Top 250 consumer products companies alphabetical listing

AB Electrolux	47
Acer Incorporated	46
Activision Blizzard, Inc.	166
adidas AG	37
Agropur Cooperative	204
Ajinomoto Co., Inc.	51
Alticor Inc.	81
Altria Group, Inc.	43
Anheuser-Busch InBev SA/NV	13
Apple Inc.	2
Arca Continental, S.A.B. de C.V. (formerly Embotelladoras Arca, S. A. B. de C. V.)	210
Arçelik A.Ş.	156
Arla Foods amba	85
Asahi Group Holdings, Ltd. (formerly Asahi Breweries, Ltd.)	60
Ashley Furniture Industries, Inc.	219
ASICS Corporation	241
ASUSTeK Computer Inc.	62
Avon Products, Inc.	79
Bacardi Limited	158
Barilla Holding S.p.A.	151
Bestseller	235
Bongrain SA	145
Boparan Holdings Limited	233
BRF – Brasil Foods S.A.	48
Bridgestone Corporation	14
British American Tobacco plc	25
BSH Bosch und Siemens Hausgeräte GmbH	56
Campbell Soup Company	103
Cargill Meat Solutions Corporation	52
Carlsberg A/S	75
Casio Computer Co., Ltd.	199
Charoen Pokphand Foods PCL	113
Cheng Shin Rubber Ind. Co., Ltd.	186
China Mengniu Dairy Company Limited	138
China Yurun Food Group Limited	183
Chiquita Brands International, Inc.	242
Citizen Holdings Co., Ltd.	216
CJ CheilJedang Corp.	129
Clorox Company	149
Coca-Cola Amatil Limited	162
Coca-Cola Company	12
Coca-Cola Enterprises, Inc.	97
Coca-Cola Hellenic Bottling Company S.A.	89
Coca-Cola West Co., Ltd.	157
Colgate-Palmolive Company	40
Compagnie Financière Richemont SA	74
Compagnie Générale des Établissements Michelin S.C.A.	22
ConAgra Foods, Inc.	58
Controladora Mabe S.A. de C.V.	234
Cooper Tire & Rubber Company	197
Coty Inc.	175
D.E Master Blenders 1753 N.V.	202
Dairy Farmers of America	67
Danish Crown A/S	88
Danone	24
Dean Foods Company	66
Del Monte Corporation	207
Diageo plc	39
DMK Deutsches Milchkontor GmbH	152
Dole Food Company, Inc.	109
Dr Pepper Snapple Group, Inc.	132
Dr. August Oetker KG	55
E. & J. Gallo Winery	226
Electronic Arts Inc.	184
Emmi Group	246
Energizer Holdings, Inc.	172
Essilor International (Compagnie Générale D'Optique) S.A.	135
Estée Lauder Companies Inc.	87
Ezaki Glico Co., Ltd.	208
Ferrero Group	86
Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA)	45
Fortune Brands Home & Security, Inc.	231
Fraser and Neave, Limited	161
Fresh Del Monte Produce Inc.	212
Fromageries Bel S.A.	217
Funai Electric Co., Ltd.	245
GD Midea Holding Co., Ltd.	53
General Mills, Inc.	42
Goodyear Tire & Rubber Company	30
Gree Electric Appliances, Inc. of Zhuhai	69
Groupe Bigard S.A.	128
Groupe Lactalis	34
Groupe SEB	148
Groupe Terrena	126
GRUMA, S.A.B. de C.V.	171
Grupo Bimbo, S.A.B. de C.V.	82
Grupo Modelo, S.A.B. de C.V.	114
H. J. Heinz Company	77
Haier Group Company	29
Hallmark Cards, Inc.	187
Hanesbrands Inc.	173
Hangzhou Wahaha Group Co., Ltd.	83
Hankook Tire Co., Ltd.	131
Hasbro, Inc.	179
Heineken N.V.	28
Henan Shuanghui Investment & Development Co. Ltd.	136
Henkel AG & Co. KGaA	33
Herbalife Ltd.	222
Hershey Company	125
Hillshire Brands Company (formerly Sara Lee Corporation)	188
Hisense Electric Co., Ltd.	228
HKScan Corporation	221
Hormel Foods Corporation	100
Husqvarna Group	169
Imperial Tobacco Group PLC	26
Indesit Company	196
Inner Mongolia Yili Industrial Group Co., Ltd.	137
ITC Limited	150
Ito En, Ltd.	168
Itoham Foods Inc.	142
J.M. Smucker Company	147
Japan Tobacco Inc.	17
Jarden Corporation	116
JBS S.A.	15
JELD-WEN, Inc.	237
Jones Group Inc. (formerly Jones Apparel Group, Inc.)	203
JVCKENWOOD Corporation	191
Kao Corporation	49
Kellogg Company	59
Kewpie Corporation	127
Kikkoman Corporation	213
Kimberly-Clark Corporation	35
Kirin Holdings Company, Limited	32
Kohler Co.	159
Konami Corporation	229
Kraft Foods Inc. (now Mondelēz International, Inc.)	9
KT&G Corporation	227
Kumho Tire Co., Ltd.	215
L.D.C. SA	198
La Coop fédérée	174
Land O'Lakes, Inc.	70
Lego Group	220
Lenovo Group Limited	21
Levi Strauss & Co.	170
LG Electronics Inc.	11
LG Household & Health Care Ltd.	240
Lion Corporation	185
LIXIL Group Corporation (formerly JS Group Corporation)	44
L'Oréal S.A.	23
Lorillard, Inc.	177
Lotte Japan Group	118
Luxottica Group S.p.A.	93
Maple Leaf Foods Inc.	163
Marfrig Alimentos S.A.	61
Mars, Incorporated	16
Masco Corporation	106
Mattel, Inc.	122
Maxingvest AG	71
Mccain Foods Limited	124
McCormick & Company, Inc.	205
Mead Johnson Nutrition Company	206
Megmilk Snow Brand Co., Ltd.	119
Meiji Holdings Co., Ltd.	54
Miele & Cie. KG	189
MillerCoors LLC	105
Mohawk Industries, Inc.	143
Molson Coors Brewing Company	218
Morinaga Milk Industry Co., Ltd.	107
Motorola Mobility Holdings, Inc.	65
Namco Bandai Holdings Inc.	140
National Beef Packing Company, LLC	111
Natura Cosméticos S.A.	230
Nestlé S.A.	4
Newell Rubbermaid Inc.	133
Nichirei Corporation	139
NIKE, Inc.	27
Nikon Corporation	78
Nintendo Co., Ltd.	98
Nippon Flour Mills Co., Ltd.	225
Nippon Meat Packers, Inc.	68
Nippon Suisan Kaisha, Ltd.	112
Nisshin OilliO Group, Ltd.	194
Nisshin Seifun Group Inc.	144
Nissin Foods Holdings Co., Ltd.	164
Nokia Corporation	10
Onward Holdings Co., Ltd.	248
Panasonic Corporation	3
PepsiCo, Inc.	7
Perdue Farms, Inc.	165
Perfetti Van Melle S.p.A.	232
Pernod Ricard S.A.	80
Philip Morris International Inc.	20
Pioneer Corporation	146
Pirelli & C. S.p.A.	101
Premier Foods plc	236
Prima Meat Packers, Ltd.	223
Procter & Gamble Company	5
PT Indofood Sukses Makmur Tbk	160
Puma SE formerly Puma AG Rudolf Dassler Sport)	180
PVH Corp. (formerly Phillips-Van Heusen Corporation)	155
Ralcorp Holdings, Inc.	167
Ralph Lauren Corporation (formerly Polo Ralph Lauren Corporation)	117
Reckitt Benckiser Group plc	50
Red Bull GmbH	130
Research In Motion Limited	38
Reynolds American Inc.	95
Rich Products Corporation	250
Rinnai Corporation	243
Rolex SA	153
Royal FrieslandCampina N.V.	57
Ruchi Soya Industries Ltd.	121
S.C. Johnson & Son, Inc.	90
SABMiller plc	41
Samsung Electronics Co., Ltd.	1
Sapporo Holdings Limited	178
Saputo Inc.	110
Savola Group Company	115
Seiko Holdings Corporation	201
Sharp Corporation	19
Shiseido Company, Limited	94
Sichuan Changhong Electric Co. Ltd	99
Skyworth Digital Holdings Limited	211
Smithfield Foods, Inc.	63
Société Coopérative Agricole et Agro-alimentaire AGRIAL	200
Sodiaal Union	123
Sony Corporation	6
Sony Ericsson Mobile Communications AB	108
Spectrum Brands Holdings, Inc.	238
Stanley Black & Decker, Inc.	84
Sumitomo Rubber Industries, Ltd.	96
Suntory Holdings Limited	31
Svenska Cellulosa AB SCA	73
Swarovski AG	193
Swatch Group Ltd.	104
TCL Corporation	92
Techtronic Industries Co. Ltd.	209
TINE Group	224
Tingyi (Cayman Islands) Holding Corp.	102
Tönnies Lebensmittel GmbH & Co. KG (formerly B. & C. Tönnies Fleischwerk GmbH & Co. KG)	120
Total Produce plc	239
TOTO Ltd.	141
Toyo Suisan Kaisha, Ltd.	190
Toyo Tire & Rubber Co., Ltd.	192
Triskalia SCA (formerly Coopagri Bretagne Groupe)	249
Tsingtao Brewery Co., Ltd.	214
Tyson Foods, Inc.	18
Unicharm Corporation	154
Unilever Group	8
Uni-President Enterprises Corp.	72
V.F. Corporation	91
Vestel Elektronik Sanayi ve Ticaret A.Ş.	181
Vion N.V.	64
Westfleisch eG	247
Whirlpool Corporation	36
World Co., Ltd.	182
Wuliangye Yibin Co., Ltd.	244
Yakult Honsha Co., Ltd.	195
Yamaha Corporation	176
Yamazaki Baking Co., Ltd.	76
Yokohama Rubber Co., Ltd.	134

Global top 10 consumer products companies, 2011

2011 net sales rank	Company name	Country of origin	Product sector	2011 net sales (US$mil)	2011 net sales growth*	2011 net profit margin**	2011 return on assets**	2006-2011 CAGR***
1	Samsung Electronics	South Korea	Electronic Products	150,152	6.7%	8.3%	8.8%	14.1%
2	Apple	United States	Electronic Products	108,249	66.0%	23.9%	22.3%	41.2%
3	Panasonic	Japan	Electronic Products	99,412	-9.7%	-10.4%	-12.4%	-2.9%
4	Nestlé[1]	Switzerland	Food, Drink & Tobacco	94,704	-10.1%	11.7%	8.6%	n/a
5	Procter & Gamble	United States	Personal & Household Products	83,680	1.4%	13.0%	8.2%	1.8%
6	Sony	Japan	Electronic Products	70,022	-12.3%	-6.1%	-3.0%	-6.1%
7	PepsiCo	United States	Food, Drink & Tobacco	66,504	15.0%	9.7%	8.9%	13.6%
8	Unilever	Netherlands and United Kingdom	Personal & Household Products	64,721	5.0%	9.9%	9.7%	3.2%
9	Kraft Foods (now Mondelēz International)	United States	Food, Drink & Tobacco	54,365	10.5%	6.5%	3.8%	9.6%
10	Nokia	Finland	Electronic Products	53,846	-8.9%	-3.8%	-4.1%	-1.2%
Top 10				**$845,654**	**4.8%**	**6.9%**	**5.6%**	**7.2%**
Top 250				**$3,118,096**	**7.0%**	**6.5%**	**6.0%**	**6.0%**
Economic Concentration of Top 10				**27.1%**				

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
[1]Nestlé's sales for 2011 and 2010 reflect an accounting change. Comparable sales figures for years prior to 2010 are not available.

Top 10 a relatively stable group

In 2011, the 10 largest consumer products companies accounted for a slightly smaller share of Top 250 net sales than they did in 2010. The top 10 reported combined sales of $846 billion, a 4.8 percent increase over their 2010 total but well below the 7.0 percent growth rate for the Top 250 overall. As a result, the top 10 accounted for 27.1 percent of total Top 250 sales in 2011, down from 27.8 percent in 2010. The result can be attributed, at least in part, to the impact of the earthquake on the two top 10 companies based in Japan: Panasonic and Sony.

South Korea's Samsung remained the world's largest consumer products company in 2011, a position it has held since 2007. In fiscal 2006, the period covered by the first *Global Powers of Consumer Products* report, Altria Group was the top-ranked company. Altria spun off Kraft Foods in 2007 and Philip Morris International in 2008, dropping the company well out of the top 10. In 2011, Kraft Foods, Inc. ranked as number nine. But since the 2011 ranking was compiled, it too has fallen out of the top 10, having split into two independent public companies. On October 1, 2012, the company's North American grocery business was spun off as Kraft Foods Group. Concurrent with the spinoff, Kraft Foods, Inc. changed its name to Mondelēz International, which comprises the company's global snacking and food brands.

Another noteworthy change among the top 10 in recent years is the rise of Apple. The tech giant became the second-largest consumer products company in 2011, climbing from sixth place in 2010 and 23rd place in 2006. How long the company will maintain its second-place ranking among the Top 250 remains to be seen. Although its 2012 sales remained robust overall, growth has slowed considerably since the second quarter of 2012. Nevertheless, relatively modest growth for Apple will likely outpace that of the other industry leaders for some time.

Nestlé, the world's biggest food company, fell from second place to fourth in 2011. This was mostly due to an accounting change, where certain allowances and discounts concerning trade and consumer promotions, selling, distribution, and advertising are now disclosed as a deduction of the company's sales. Panasonic (known as Matsushita until 2008), P&G, Sony, PepsiCo, Unilever, and Nokia—perennial top 10 companies—complete the leader board. Along with Altria, LG Electronics has the distinction of being the only other former top 10 company since the list was first created in 2006. LG dropped to 11th place in 2010, where it remained in 2011, following back-to-back sales declines attributed to slumping handset and television sales.

FY11 top 10 consumer products company rankings 2006-2011

Company name	Country of origin	Rank 2011	Rank 2010	Rank 2009	Rank 2008*	Rank 2007*	Rank 2006*
Samsung Electronics	South Korea	1	1	1	1	1	2
Apple	United States	2	6	12	12	17	23
Panasonic	Japan	3	3	3	4	4	4
Nestlé	Switzerland	4	2	2	2	2	3
Procter & Gamble	United States	5	4	4	3	3	5
Sony	Japan	6	5	5	6	6	6
PepsiCo	United States	7	8	9	9	10	10
Unilever	Netherlands and United Kingdom	8	7	8	7	9	8
Kraft Foods (now Mondelēz International)	United States	9	10	10	10	11	ne
Nokia	Finland	10	9	7	5	7	7

* Ranking adjusted to reflect two changes to methodology beginning in 2009. First, a number of electronics companies were removed from the Top 250 as it was determined that the majority of their sales were derived from products and services targeting commercial and institutional customers rather than consumers. In addition, excise taxes were excluded from the sales of tobacco and drinks companies.

Global Powers of the Consumer Products Industry geographical 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
- North America

Japanese companies contract in aftermath of earthquake

Results for the **Asia/Pacific** region as a whole were negatively impacted by the plight of the consumer products manufacturers based in Japan. Composite sales for the Top 250 Japanese companies declined 3.7 percent in 2011. Profitability also fell as these companies struggled to rebound from the devastation caused by the earthquake. Because Japan accounted for more than 60 percent of all Top 250 companies in the Asia/Pacific region (55 of 89), the country's misfortune had a disproportionate impact on the region's overall results.

Performance by region/country, 2011

	Number of companies	Average size (US$mil)	2011 net sales growth*	2011 net profit margin**	2011 return on assets**	2006-2011 net sales CAGR***
Africa/Middle East	3	$5,319	23.5%	4.4%	5.0%	9.8%
Asia/Pacific	89	$12,119	1.8%	1.7%	1.8%	4.6%
Japan	55	$11,320	-3.7%	-1.2%	-1.1%	-1.1%
Other Asia/Pac[1]	34	$13,412	9.9%	6.0%	7.5%	11.6%
China/Hong Kong	17	$9,111	23.0%	5.6%	9.1%	16.8%
Europe	65	$13,169	4.3%	8.8%	6.6%	6.1%
France	15	$11,028	14.5%	8.2%	6.4%	8.0%
Germany	10	$10,368	6.3%	5.0%	5.2%	5.1%
UK[2]	8	$21,165	6.3%	14.6%	9.0%	9.1%
Latin America	11	$10,870	16.2%	4.4%	4.3%	22.2%
North America	82	$12,780	13.5%	10.4%	9.7%	6.0%
US	76	$13,200	14.2%	10.7%	9.8%	5.7%
Top 250	**250**	**$12,472**	**7.0%**	**6.5%**	**6.0%**	**6.0%**

Source: 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.

Excluding Japan, the Asia/Pacific region produced above average growth of 9.9 percent in 2011. From 2006-2011, sales increased at an even faster 11.6 percent pace for the other Asia/Pacific companies. For those based in mainland China and Hong Kong (17 of the region's 34 non-Japanese companies), sales rose 23 percent in 2011 (16.8 percent on a five-year compound annual basis).

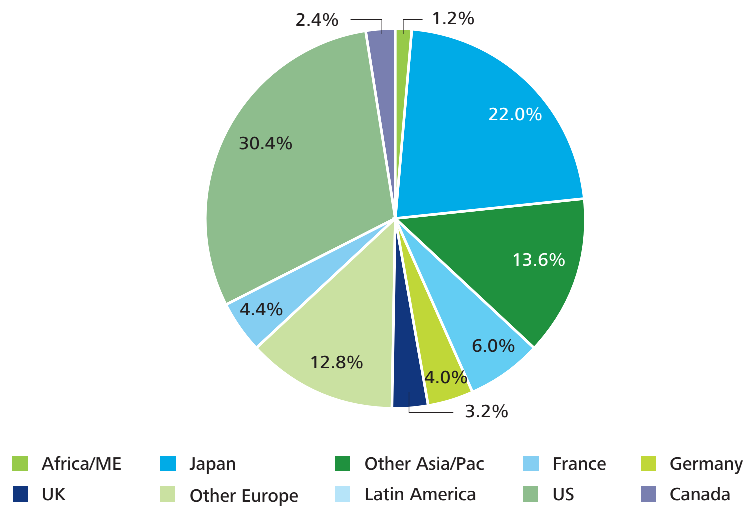
In 2011, **North American** consumer products companies continued the rebound in sales and profits that began in 2010, posting back-to-back years of double-digit sales growth along with double-digit net profit margins. Composite sales grew 13.5 percent, building on 2010's 10.9 percent increase. North America outperformed the other regions on the bottom line, where a 10.4 percent composite net profit margin set the bar high.

On a composite basis, the 65 Top 250 **European** companies experienced below-average growth of 4.3 percent in 2011 compared with the Top 250 as a whole. However, the region posted above-average profitability with a composite net profit margin of 8.8 percent. Nevertheless, both top-line and bottom-line performance were down from 2010 levels when sales rose 7.0 percent and the region recorded a composite net profit margin of 11.7 percent. The region's French companies enjoyed another year of strong sales growth in 2011: 14.5 percent on top of a 15.2 percent increase in 2010, once again outpacing their German and British counterparts.

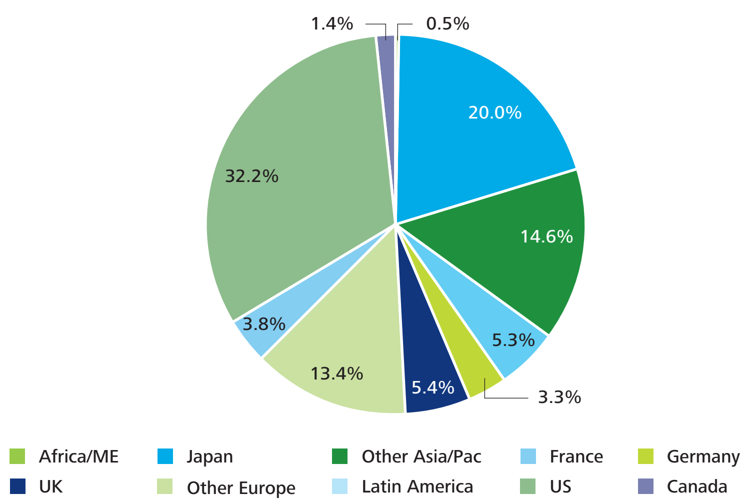
Latin America's growth streak continued in 2011. Although cooling slightly from 2010's industry-leading pace, the region's 11 Top 250 companies generated a composite 16.2 percent growth rate in sales. Latin American companies have sustained their rapid growth over many years, boasting a five-year compound annual growth rate of 22.2 percent – by far the highest of any region. However, profitability continued to lag, with a composite net profit margin of 4.4 percent versus 6.5 percent for the Top 250 as a whole.

The three companies comprising the **Africa/Middle East** region in 2011 all enjoyed double-digit growth resulting in the highest regional sales growth, 23.5 percent.

Share of Top 250 companies by country/region, 2011



Share of Top 250 sales by country/region, 2011



Top consumer products companies by region

Among **Europe's** top 10 consumer product companies, Nestlé maintained its first place ranking in 2011 despite a drop in sales due to an accounting change (see page 22). The company has been the top-ranked European consumer products manufacturer since well before Deloitte began tracking the industry's Top 250 Global Powers in 2006. The most significant change in the region's top 10 ranking in 2011 was the removal of Philips Electronics from the Top 250. Philips was removed because it no longer derives the majority of its revenue from the sale of consumer products, focusing instead on the health care industry. Its departure left room at the bottom for Heineken to join Europe's top 10 for first time in 2011.

Other changes in Europe's leader board involve changes in the ranking order: Michelin surpassed L'Oreal in 2011, and Danone, which joined the region's top 10 in 2009, rose from tenth place to seventh. SABMiller, among the top 10 in 2006 and 2007, was knocked off the list by AB InBev in 2008, following InBev's acquisition of Anheuser-Busch. The other companies on the 2011 list—Unilever, Nokia, BAT, and Imperial Tobacco—have been among Europe's top 10 consumer products companies since at least 2006, when the first Global Powers report was published.

In **North America**, P&G, the heretofore undisputed consumer products leader in the region, was unseated by Apple, which took over the top spot after years of hyper growth including a 66 percent jump in sales in fiscal 2011. The only other change in the region's top 10 in 2011 occurred at the bottom of the list where strong sales propelled Goodyear into tenth place ahead of Canada's Research in Motion, maker of the BlackBerry smartphone (and now doing business under the BlackBerry name). In 2011, BlackBerry suffered its first ever sales decline following years of heady growth, despite continued rapid growth in the smartphone industry overall. In recent years, the company's proprietary operating system has been losing market share to Apple's iPhone and phones using the Android operating system—especially in the U.S. market.

Top 10 European consumer products companies, 2011

Company name	Europe rank	Top 250 rank	Product sector	Country	2011 net sales (US$mil)	2011 net sales growth
Nestlé	1	4	Food, Drink & Tobacco	Switzerland	94,704	-10.1%
Unilever	2	8	Personal & Household Products	Netherlands and United Kingdom	64,721	5.0%
Nokia	3	10	Electronic Products	Finland	53,846	-8.9%
Anheuser-Busch InBev	4	13	Food, Drink & Tobacco	Belgium	39,046	7.6%
Michelin	5	22	Tires	France	28,858	15.8%
L'Oréal	6	23	Personal & Household Products	France	28,335	4.3%
Danone	7	24	Food, Drink & Tobacco	France	26,907	13.6%
British American Tobacco	8	25	Food, Drink & Tobacco	United Kingdom	24,706	3.5%
Imperial Tobacco Group	9	26	Food, Drink & Tobacco	United Kingdom	24,398	1.1%
Heineken	10	28	Food, Drink & Tobacco	Netherlands	23,850	6.1%

Top 10 North American consumer products companies, 2011

Company name	North America rank	Top 250 rank	Product sector	Country	2011 net sales (US$mil)	2011 net sales growth
Apple	1	2	Electronic Products	United States	108,249	66.0%
Procter & Gamble	2	5	Personal & Household Products	United States	83,680	1.4%
PepsiCo	3	7	Food, Drink & Tobacco	United States	66,504	15.0%
Kraft Foods (now Mondelēz)	4	9	Food, Drink & Tobacco	United States	54,365	10.5%
Coca-Cola Company	5	12	Food, Drink & Tobacco	United States	46,542	32.5%
Mars	6	16	Food, Drink & Tobacco	United States	33,000e	10.0%
Tyson Foods	7	18	Food, Drink & Tobacco	United States	32,266	13.5%
Philip Morris International	8	20	Food, Drink & Tobacco	United States	31,097	14.3%
NIKE	9	27	Fashion Goods	United States	24,128	15.7%
Goodyear	10	30	Tires	United States	22,767	20.9%

Source: Published company data
* Unable to determine if company's reported sales exclude excise taxes

Fourth-ranked Kraft Foods, Inc. (now Mondelēz International) will not likely maintain its position in 2012 after the spinoff of the North American grocery business (now known as Kraft Foods Group). However, it will remain somewhere in the middle of the top 10 group. PepsiCo, Mars, and Tyson Foods continue to place among the region's 10 largest companies.

There have been two other significant changes to the North American leader board over the last few years. Philip Morris International joined the region's top 10 in 2008, when it was spun off by Altria Group, replacing its former parent company on the list. In 2010, NIKE joined the North American top 10, replacing Coca-Cola Enterprises (CCE), which dropped from number 24 in the overall Top 250 ranking in 2009 to number 106 one year later. CCE sold its North American operations to The Coca-Cola Company (TCCC) in 2010 and acquired TCCC's bottling operations in Norway and Sweden.

Electronics companies dominate the **Asia/Pacific** top 10. Samsung remained the region's undisputed leader in 2011, widening its lead over Japanese rival Panasonic. Two more electronics companies, Sony and LG, remained third and fourth in the regional ranking. Sales declined sharply for Sharp, another Japanese electronics company, dropping the company from fifth place to seventh, behind tire maker Bridgestone and Japan Tobacco. Strong growth boosted Lenovo into the Asia/Pacific top 10 in 2010, and another good year in 2011 kept it there. The Hong Kong-based PC maker displaced another leading PC manufacturer, Taiwan's Acer.

China's Haier Group, the world's largest appliance manufacturer, moved up one spot to ninth place in 2011. Japanese beer maker Kirin, number nine in 2010, fell just out of the top 10 following a decline in sales and was replaced by another Japanese beverage maker, Suntory Holdings in 2011.

In 2011, **Latin America** was represented by 11 Top 250 companies, up from just six in 2006 when the first *Global Powers* report was published. Brazil's JBS has been the region's largest consumer products company—and the world's largest beef producer—since 2008, following its 2007 acquisition of U.S.-based Swift Foods.

Top 10 Asia/Pacific consumer products companies, 2011

Company name	Asia/Pac rank	Top 250 rank	Product sector	Country	2011 net sales (US$mil)	2011 net sales growth
Samsung Electronics	1	1	Electronic Products	South Korea	150,152	6.7%
Panasonic	2	3	Electronic Products	Japan	99,412	-9.7%
Sony	3	6	Electronic Products	Japan	70,022	-12.3%
LG Electronics	4	11	Electronic Products	South Korea	49,373	-2.7%
Bridgestone	5	14	Tires	Japan	37,986	5.7%
Japan Tobacco	6	17	Food, Drink & Tobacco	Japan	32,272	2.5%
Sharp	7	19	Electronic Products	Japan	31,116	-18.7%
Lenovo Group	8	21	Electronic Products	Hong Kong	29,574	37.0%
Haier Group	9	29	Home Furnishings & Equipment	China	23,388	11.2%
Suntory Holdings	10	31	Food, Drink & Tobacco	Japan	22,643	3.5%

Top 10 Latin American consumer products companies, 2011

Company name	Latin America rank	Top 250 rank	Product sector	Country	2011 net sales (US$mil)	2011 net sales growth
JBS	1	15	Food, Drink & Tobacco	Brazil	37,120	12.2%
FEMSA	2	45	Food, Drink & Tobacco	Mexico	16,321	19.9%
BRF – Brasil Foods	3	48	Food, Drink & Tobacco	Brazil	15,441	13.3%
Marfrig Alimentos	4	61	Food, Drink & Tobacco	Brazil	13,146	37.8%
Grupo Bimbo	5	82	Food, Drink & Tobacco	Mexico	10,811	14.1%
Grupo Modelo	6	114	Food, Drink & Tobacco	Mexico	6,796*	8.0%
Bacardi	7	158	Food, Drink & Tobacco	Bermuda	5,000e	0.0%
GRUMA	8	171	Food, Drink & Tobacco	Mexico	4,661	23.7%
Arca Continental	9	210	Food, Drink & Tobacco	Mexico	3,622	65.5%
Natura Cosméticos	10	230	Personal & Household Products	Brazil	3,359	8.9%

Source: Published company data
* Unable to determine if company's reported sales exclude excise taxes

As a result, JBS overtook FEMSA, which became the region's second-largest consumer products company. In 2009, the U.S. arm of JBS bought a majority stake in Pilgrim's Pride, helping to cement JBS's top ranking. BRF—Brasil Foods, which ranked third in 2011, was known as Perdigão prior to 2009. In August 2009, Sadia, another Brazilian meat processor, became a wholly owned subsidiary of Perdigão, and the company changed its name to BRF—Brasil Foods.

All but one of Latin America's top 10 companies operate as either food processors or beverage makers. Years of double-digit sales growth finally moved Brazilian cosmetic and fragrance company Natura Cosméticos—the exception—into the Top 250 in 2010 and into tenth place in the region. Ninth-ranked Arca Continental was formed by the 2011 merger of Mexico's Embotelladoras Arca and Grupo Continental. It is the second-largest bottler of Coca-Cola products in Latin America (behind Coca-Cola FEMSA). The merger boosted the combined company into the Top 250 for the first time in 2011. As a result of Arca's strong growth, Controladora Mabe, an appliance maker jointly owned by a group of Mexican investors and GE, now ranks last among the region's 11 Top 250 companies.

Africa/Middle East is the smallest region in terms of both the number of companies among the Top 250 and their average size. In 2011, the region was represented by only three companies. The largest is Savola Group, a multinational food group based in Saudi Arabia. Arcelik, a Turkish appliance manufacturer, and Vestel, a Turkish electronics company, complete the list. Other former Top 250 companies from the region—including Turkish beverage group Anadolu Efes and South African food processor Tiger Brands—were not large enough to qualify in 2011.

Top Africa/Middle East consumer products companies, 2011

Company name	Africa/ ME rank	Top 250 rank	Product sector	Country	2011 net sales (US$mil)	2011 net sales growth
Savola Group	1	115	Food, Drink & Tobacco	Saudi Arabia	6,721	19.8%
Arçelik	2	156	Home Furnishings & Equipment	Turkey	5,056	21.6%
Vestel Elektronik	3	181	Electronic Products	Turkey	4,181	31.9%

Source: Published company data
* Unable to determine if company's reported sales exclude excise taxes

Global Powers of the Consumer Products Industry product sector analysis

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

- Electronic products
- Fashion goods
- Food, drink, and tobacco
- Home furnishings and equipment
- Home improvement products
- Leisure goods
- Personal and household products
- Tires

Fashion goods continue as industry bright spot

The **fashion goods** sector continued to be a bright spot in the consumer products industry in 2011. At 13.6 percent, the sector posted the strongest composite sales growth for the second year in a row—far outpacing its five-year compound annual growth rate of 6.3 percent. The fashion group also remained one of the most profitable with a composite net profit margin of 8.0 percent.

Sales growth decelerated to 3.9 percent for manufacturers of **personal and household products**, which was also one of the slowest-growing sectors in 2010. Nevertheless, the group maintained a high level of profitability, outperforming all other product sectors on the bottom line with a healthy 9.6 percent composite net profit margin.

For the second year in a row, the **food, drink, and tobacco** sector saw its share of the Top 250 decline. While still by far the largest product group, the number of companies dropped to 137 in 2011 from 140 in 2010 and 143 in 2009, with a corresponding drop in its share of Top 250 sales. Nevertheless, the group turned in a solid performance, posting 8.6 percent composite sales growth and an 8.3 percent composite net profit margin.

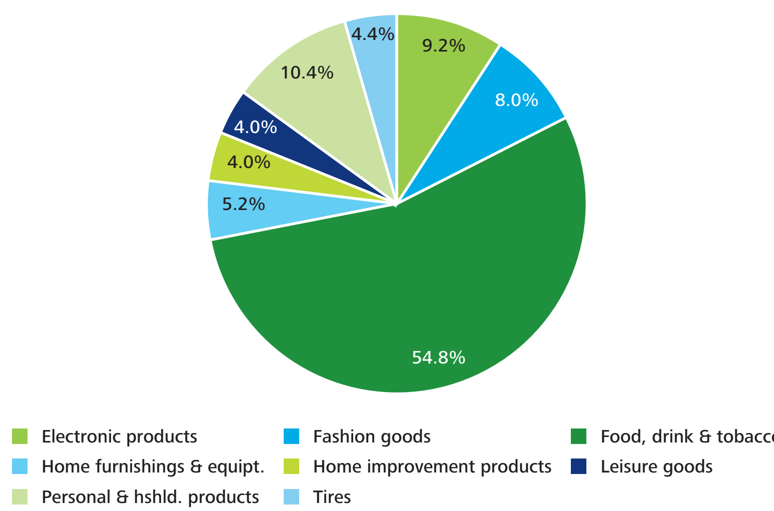
Within the food, drink, and tobacco sector, *tobacco* companies saw a modest pick-up in sales growth to 4.9 percent from 2010's slow 3.3 percent pace. However, this subsector suffered declining sales over the 2006-2011 period. With a compound annual growth rate of -1.9 percent, tobacco companies were the only product group to experience negative growth over the five-year period.

Performance by product sector, 2011

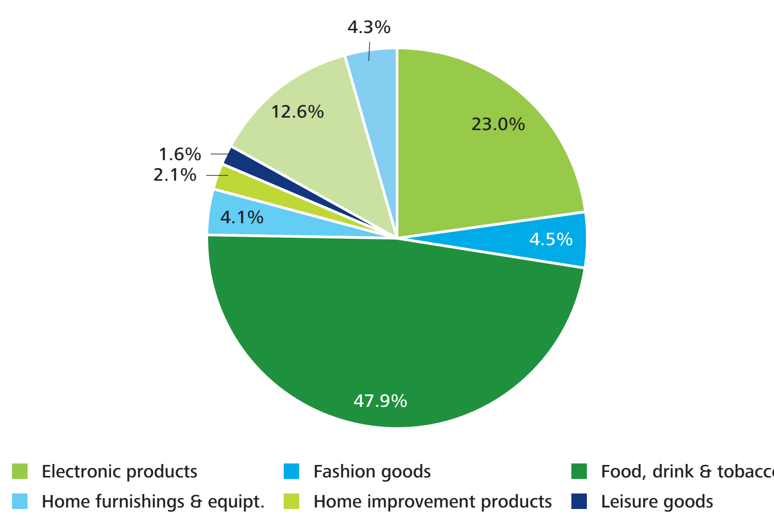
	Number of companies	Average size (US$mil)	2011 net sales growth*	2011 net profit margin**	2011 return on assets**	2006-2011 net sales CAGR***
Electronic products	23	$31,152	3.6%	2.6%	2.6%	6.3%
Fashion goods	20	$7,015	13.6%	8.0%	8.3%	6.3%
Food, drink & tobacco	137	$10,894	8.6%	8.3%	7.2%	7.3%
Home furnishings & equipment	13	$9,770	9.9%	3.8%	5.7%	5.6%
Home improvement products	10	$6,546	6.8%	1.3%	1.1%	0.3%
Leisure goods	10	$4,890	-3.4%	7.3%	5.3%	2.1%
Personal & household products	26	$15,158	3.9%	9.6%	8.0%	4.0%
Tires	11	$12,126	13.0%	4.4%	4.8%	4.0%
Top 250	**250**	**$12,472**	**7.0%**	**6.5%**	**6.0%**	**6.0%**

Source: Published company data
* Sales-weighted, currency-adjusted composite growth rates
** Sales-weighted composites
*** Compound annual growth rate

Share of Top 250 companies by product sector, 2011



Share of Top 250 sales by product sector, 2011



Yet, the industry continues to be highly profitable. Over the years, industry consolidation has resulted in tobacco companies becoming very large in size, second only to consumer electronics manufacturers. The nine Top 250 companies in the tobacco subsector averaged $16.8 billion in 2011 sales volume, one-third larger than the average Top 250 company.

The *beverage* subsector performed much better on the top line in 2011 compared with the prior year, more than doubling its pace of growth to 10.9 percent from 4.7 percent in 2010. Profitability remained strong—the makers of alcoholic and non-alcoholic drinks generated a composite net profit margin of 12.9 percent. Sales advanced solidly for the *food processing* companies again in 2011, but the subsector's unusually strong bottom line in 2010 was not sustained. The composite net profit margin dropped to 4.8 percent in 2011 from 8.7 percent the prior year.

Growth and profitability both declined in 2011 for manufacturers of **consumer electronic products**. The sector, which had rebounded in 2010 with composite sales growth of 9.9 percent and a composite net profit margin of 5.3 percent, saw sales growth slow significantly in 2011 to 3.6 percent and profitability drop by half to 2.6 percent. The performance decline is largely attributable to Japan, home to a third of the companies in this group, as the country struggled to cope with the massive damage to infrastructure and supply chain caused by the earthquake. Sales fell for seven of the eight Japanese electronics manufacturers in 2011, and four operated at a loss.

Top 250 manufacturers of **home furnishings and equipment** have enjoyed a significant recovery in sales since 2009, when composite sales dropped 3.2 percent. Back-to-back growth in (or near) double-digits in 2010 and 2011 boosted the sector's five-year compound annual growth rate to 5.6 percent. As is typical for this industry, profitability remained fairly modest. The group, comprised of 12 appliance manufacturers and one furniture maker, posted a composite net profit margin of 3.8 percent in 2011.

Food, drink & tobacco: performance by subsector, 2011

	Number of companies	Average size (US$mil)	FY11 net sales growth*	FY11 net profit margin**	FY11 return on assets**	2006-2011 net sales CAGR***
Beverages	31	$11,371	10.9%	12.9%	7.8%	9.3%
Food processing	97	$10,196	8.3%	4.8%	5.3%	8.4%
Tobacco	9	$16,770	4.9%	18.6%	11.7%	-1.9%
Food, drink & tobacco	137	$10,894	8.6%	8.3%	7.2%	7.3%

Source: Published company data
* Sales-weighted, currency-adjusted composite growth rates
** Sales-weighted composites
*** Compound annual growth rate

Sales cooled for the **home improvement** sector in 2011. At 6.8 percent, growth was down by almost half from its 12.3 percent pace in 2010. However, 2011 still compares very favorably to the sector's longer-term performance. On a compound annual basis since 2006, sales for manufacturers of home improvement products among the Top 250 grew just 0.3 percent per year. With a composite net profit margin of 1.3 percent, this sector remained the least profitable.

Of the eight major product sectors analyzed, the **leisure goods** group was once again the only one to post declining composite sales in 2011. And once again the group result was driven largely by Nintendo, the Japanese gaming giant that has suffered double-digit sales declines since 2009.

The **tire** sector continued to rally—a comeback that began in 2010 along with the rebound in auto sales. In 2011, the group experienced 13 percent sales growth on top of 2010's 14.1 percent increase. All but one of the 11 Top 250 tire companies were profitable, resulting in a composite net profit margin of 4.4 percent.

Top consumer products companies by product sector

As the world's largest consumer products company, Samsung has maintained a sizeable lead among the world's top **consumer electronics** companies as well. But Apple has quickly moved into second place, not only as the number two-ranked consumer electronics company in 2011, but also as the world's second-largest consumer products company overall, surpassing Panasonic, Nestlé, P&G, and Sony in a single year. Apart from Apple's continued ascent, the top 10 consumer electronics companies were a stable group in 2011, with only one other change in the ranking order. Despite its recent troubles (see p.25), Canada's Research in Motion (now called BlackBerry) moved past Taiwan's Acer, although sales declined for both companies.

In the **fashion goods** sector, NIKE continued to "just do it"—remain number one, that is. Although the athletic shoe and apparel company reigned supreme, all of the sector's top 10 companies except one moved up in the overall Top 250 ranking—a measure of this group's continued strength in 2011. Despite growth of 8.1 percent, Levi Strauss fell from eighth place on the fashion goods leader board in 2010 (#158 overall) to tenth (#170 overall) in 2011. Hanesbrands, which was seventh in 2010, fell out of the top 10 altogether in 2011, just behind Levi, even though it too experienced solid growth.

The biggest change among the **food, drink, and tobacco** top 10 in 2011 was the reclassification of Unilever out of this sector and into the personal and household products sector. The company's Personal Care and Home Care segments accounted for 51% of total sales in 2011 following the December 2010 acquisition of Sara Lee's personal care business, the May 2011 acquisition of Alberto-Culver, and the July 2011 purchase of the Colombian laundry business from Colgate-Palmolive. Unilever's departure from the group made room for Philip Morris International to rejoin this product sector's top 10 following a one-year hiatus in 2010, the year when acquisitions boosted Brazil's JBS into the food, drink, and tobacco top 10 for the first time.

Top 10 electronic products companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
Samsung Electronics	1	1	South Korea	Asia/Pacific	150,152	6.7%
Apple	2	2	United States	North America	108,249	66.0%
Panasonic	3	3	Japan	Asia/Pacific	99,412	-9.7%
Sony	4	6	Japan	Asia/Pacific	70,022	-12.3%
Nokia	5	10	Finland	Europe	53,846	-8.9%
LG Electronics	6	11	South Korea	Asia/Pacific	49,373	-2.7%
Sharp	7	19	Japan	Asia/Pacific	31,116	-18.7%
Lenovo Group	8	21	Hong Kong	Asia/Pacific	29,574	37.0%
Research In Motion	9	38	Canada	North America	18,435	-7.4%
Acer	10	46	Taiwan	Asia/Pacific	16,247	-24.4%

Top 10 fashion goods companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
NIKE	1	27	United States	North America	24,128	15.7%
adidas	2	37	Germany	Europe	18,586	11.3%
Richemont	3	74	Switzerland	Europe	12,226	28.7%
VF	4	91	United States	North America	9,365	22.8%
Luxottica Group	5	93	Italy	Europe	8,667	7.3%
Swatch Group	6	104	Switzerland	Europe	7,659	10.7%
Ralph Lauren	7	117	United States	North America	6,679	21.8%
Rolex	8	153	Switzerland	Europe	5,435[e]	26.3%
PVH	9	155	United States	North America	5,410	28.2%
Levi Strauss	10	170	United States	North America	4,674	8.1%

Top 10 food, drink & tobacco companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
Nestlé	1	4	Switzerland	Europe	94,704	-10.1%
PepsiCo	2	7	United States	North America	66,504	15.0%
Kraft Foods (now Mondelēz)	3	9	United States	North America	54,365	10.5%
Coca-Cola Company	4	12	United States	North America	46,542	32.5%
Anheuser-Busch InBev	5	13	Belgium	Europe	39,046	7.6%
JBS	6	15	Brazil	Latin America	37,120	12.2%
Mars	7	16	United States	North America	33,000[e]	10.0%
Japan Tobacco	8	17	Japan	Asia/Pacific	32,272	2.5%
Tyson Foods	9	18	United States	North America	32,266	13.5%
Philip Morris International	10	20	United States	North America	31,097	14.3%

The sector's 2012 leader board will see another big shakeup, reflecting Kraft Foods, Inc. split into two companies: Mondelēz International and Kraft Foods Group. The spinoff was completed on October 1, 2012.

The top 10 **home furnishings and equipment** companies are all manufacturers of household appliances. This group hasn't changed since 2009, when Italy's Indesit took the spot that opened up after Sanyo Electric was acquired by Panasonic. Among the companies to watch are GD Midea and Gree Electrical Appliances, Chinese companies that have continued to advance in the ranking.

In 2011, there were a total of 10 **home improvement** companies among the Top 250, including two newcomers. Two Japanese companies were included in the Top 250 consideration set for the first time in 2011: LIXIL Group (name changed from JS Group in July 2012) and TOTO. Both companies manufacture a range of building materials and equipment for residential and commercial use, including plumbing fixtures, bathroom vanity units, and kitchen systems, among other products. Another significant change occurred in this sector in 2011. Fortune Brands Home & Security, ninth on the list, was spun off into an independent, publicly traded company by its former parent, Fortune Brands (now spirits company Beam Inc.), which ranked third among the home improvement companies in 2010.

The **leisure goods** sector was also represented by 10 companies in 2011. This group is dominated by U.S. and Japanese companies, with Denmark's Lego Group the only exception. Top-ranked Nintendo, which was double the size of number two Mattel in 2010, continued to see its lead erode in 2011. The troubled company dropped from number 41 in the overall Top 250 ranking in 2009 to number 98 just two years later.

Top 10 home furnishings & equipment companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
Haier Group	1	29	China	Asia/Pacific	23,388	11.2%
Whirlpool	2	36	United States	North America	18,666	1.6%
Electrolux	3	47	Sweden	Europe	15,681	-4.4%
GD Midea Holding Co.	4	53	China	Asia/Pacific	14,428	24.9%
BSH Bosch und Siemens Hausgeräte	5	56	Germany	Europe	13,446	6.4%
Gree Electric Appliances	6	69	China	Asia/Pacific	12,886	37.6%
Groupe SEB	7	148	France	Europe	5,520	8.5%
Arçelik	8	156	Turkey	Africa/Middle East	5,056	21.6%
Miele	9	189	Germany	Europe	4,075	3.1%
Indesit Company	10	196	Italy	Europe	3,935	-1.9%

Top 10 home improvement products companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
LIXIL Group	1	44	Japan	Asia/Pacific	16,362	6.3%
Stanley Black & Decker	2	84	United States	North America	10,376	23.4%
Masco	3	106	United States	North America	7,467	-1.6%
TOTO	4	141	Japan	Asia/Pacific	5,736	4.4%
Mohawk Industries	5	143	United States	North America	5,642	6.1%
Kohler	6	159	United States	North America	5,000[e]	6.8%
Husqvarna Group	7	169	Sweden	Europe	4,685	-5.8%
Techtronic Industries	8	209	Hong Kong	Asia/Pacific	3,667	8.7%
Fortune Brands Home & Security	9	231	United States	North America	3,329	ne
JELD-WEN	10	237	United States	North America	3,200[e]	6.7%

Top 10 leisure goods companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
Nintendo	1	98	Japan	Asia/Pacific	8,206	-36.2%
Mattel	2	122	United States	North America	6,266	7.0%
Namco Bandai Holdings	3	140	Japan	Asia/Pacific	5,755	15.2%
Activision Blizzard	4	166	United States	North America	4,755	6.9%
Yamaha	5	176	Japan	Asia/Pacific	4,518	-4.6%
Hasbro	6	179	United States	North America	4,286	7.1%
Electronic Arts	7	184	United States	North America	4,143	15.4%
Hallmark Cards	8	187	United States	North America	4,100	0.0%
Lego Group	9	220	Denmark	Europe	3,502	17.0%
Konami	10	229	Japan	Asia/Pacific	3,367	3.0%

Two big changes impacted the **personal and household products** top 10 in 2011. Unilever joined the sector (company was formerly assigned to the food, drink, and tobacco sector) as a result of the changing composition of its sales following several recent acquisitions. Unilever replaced Philips Electronics as the second-largest company in the group. Philips, which was moved into this sector from the electronics group in 2010, is no longer primarily a consumer products company. Therefore, the company was removed from Top 250 consideration in 2011. While the rest of the names on the top 10 list remained the same, SCA dropped from seventh place to tenth after divesting its packaging operations.

The only change in the **tire** sector in 2011 was the addition of Taiwan's Cheng Shin Rubber Industries to the group, making a total of 11 Top 250 tire companies. Yokohama fell one place in the ranking. However, this was due to a one-time technicality. The company changed its fiscal year-end date from March 31 to Dec. 31. As a result, its fiscal 2011 sales represent only a 9-month period.

Top 10 personal & household products companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
Procter & Gamble	1	5	United States	North America	83,680	1.4%
Unilever	2	8	Netherlands and United Kingdom	Europe	64,721	5.0%
L'Oréal	3	23	France	Europe	28,335	4.3%
Henkel	4	33	Germany	Europe	21,735	3.4%
Kimberly-Clark	5	35	United States	North America	20,846	5.6%
Colgate-Palmolive	6	40	United States	North America	16,734	7.5%
Kao	7	49	Japan	Asia/Pacific	15,408	2.5%
Reckitt Benckiser Group	8	50	United Kingdom	Europe	15,217	12.2%
Maxingvest	9	71	Germany	Europe	12,777	2.4%
Svenska Cellulosa (SCA)	10	73	Sweden	Europe	12,554	-25.5%

Top 10 tire companies, 2011

Company name	Product sector rank	Top 250 rank	Country	Region	FY11 net sales (US$mil)	FY11 net sales growth
Bridgestone	1	14	Japan	Asia/Pacific	37,986	5.7%
Michelin	2	22	France	Europe	28,858	15.8%
Goodyear Tire & Rubber	3	30	United States	North America	22,767	20.9%
Sumitomo Rubber Industries	4	96	Japan	Asia/Pacific	8,502	12.0%
Pirelli	5	101	Italy	Europe	7,876	16.6%
Hankook Tire	6	131	South Korea	Asia/Pacific	5,905	11.6%
Yokohama Rubber	7	134	Japan	Asia/Pacific	5,842	n/a
Cheng Shin Rubber Industries	8	186	Taiwan	Asia/Pacific	4,100	20.0%
Toyo Tire & Rubber	9	192	Japan	Asia/Pacific	4,062	9.0%
Cooper Tire & Rubber	10	197	United States	North America	3,927	16.8%

Emerging markets fuel Fastest 50

This year, for the first time, the 50 fastest-growing consumer products companies were determined by their sales growth over a five-year period rather than a one-year growth rate. Between 2006 and 2011, net sales increased at a compound annual rate of 20.8 percent for the Fastest 50. Most of these companies maintained their aggressive growth in 2011; composite sales for the group rose 21.3 percent year-over-year. In fact, nearly 60 percent of the Fastest 50 (29 companies) were also among the 50 fastest-growing companies in 2011. Companies in this elite group are designated in bold type on the list.

In both cases—over the five-year period and for the year 2011—the Fastest 50 grew more than three times faster than the Top 250 as a whole. Strong growth also translated into strong profitability. The group's composite net profit margin of 10.9 percent was more than four percentage points higher than the Top 250 composite profit margin.

Not surprisingly, Chinese and Brazilian companies are well-represented among the Fastest 50. Thirteen of the 17 Top 250 consumer products companies based in China (including Hong Kong) are among the Fastest 50, as are all four of the Top 250 Brazilian companies. Altogether, emerging markets accounted for nearly 60 percent (29 companies) of the 50 fastest-growing companies over the 2006-2011 period. Acquisitions, as have been noted throughout this report, and product innovation were also major growth drivers.

50 fastest-growing consumer products companies, 2006-2011 CAGR[1]

FY11 growth rank	FY11 Top 250 rank	Company name	Country	FY11 net sales (US $mil)	Product sector	2006-2011 net sales CAGR[1]	FY11 net sales growth	FY11 net profit margin
1	15	JBS S.A.	Brazil	37,120	Food, Drink & Tobacco	70.4%	12.2%	-0.5%
2	**61**	**Marfrig Alimentos S.A.**	Brazil	13,146	Food, Drink & Tobacco	59.3%	37.8%	-3.4%
3	**183**	**China Yurun Food Group Limited**	Hong Kong	4,152	Food, Drink & Tobacco	47.5%	50.5%	5.6%
4	38	Research In Motion Limited	Canada	18,435	Electronic Products	43.4%	-7.4%	6.3%
5	**233**	**Boparan Holdings Limited**	United Kingdom	3,298	Food, Drink & Tobacco	42.6%	161.5%	-0.8%
6	**2**	**Apple Inc.**	United States	108,249	Electronic Products	41.2%	66.0%	23.9%
7	48	BRF – Brasil Foods S.A.	Brazil	15,441	Food, Drink & Tobacco	37.6%	13.3%	5.3%
8	26	Imperial Tobacco Group PLC	United Kingdom	24,398	Food, Drink & Tobacco	36.9%	1.1%	12.0%
9	128	Groupe Bigard S.A.	France	6,059[e]	Food, Drink & Tobacco	35.7%	-3.3%	n/a
10	**53**	**GD Midea Holding Co., Ltd.**	China	14,428	Home Furnishings & Equipment	34.5%	24.9%	4.9%
11	**83**	**Hangzhou Wahaha Group Co., Ltd.**	China	10,522[e]	Food, Drink & Tobacco	29.4%	23.7%	18.1%
12	**102**	**Tingyi (Cayman Islands) Holding Corp.**	China	7,867	Food, Drink & Tobacco	27.5%	17.7%	6.4%
13	**121**	**Ruchi Soya Industries Ltd.**	India	6,272	Food, Drink & Tobacco	27.4%	66.6%	0.3%
14	**69**	**Gree Electric Appliances, Inc. of Zhuhai**	China	12,886	Home Furnishings & Equipment	25.9%	37.6%	6.4%
15	166	Activision Blizzard, Inc.	United States	4,755	Leisure Goods	25.7%	6.9%	22.8%
16	**240**	**LG Household & Health Care Ltd.**	South Korea	3,142	Personal & Household Products	25.7%	22.1%	7.9%
17	**155**	**PVH Corp. (formerly Phillips-Van Heusen Corporation)**	United States	5,410	Fashion Goods	23.9%	28.2%	5.4%

Companies in bold type were also among the 50 fastest-growing consumer products companies in 2011.

[1] Compound annual growth rate
e = estimate
Source: Published company data

50 fastest-growing consumer products companies, 2006-2011 CAGR[1]

FY11 growth rank	FY11 Top 250 rank	Company name	Country	FY11 net sales (US $mil)	Product sector	2006-2011 net sales CAGR[1]	FY11 net sales growth	FY11 net profit margin
18	**99**	**Sichuan Changhong Electric Co. Ltd**	China	8,058	Electronic Products	22.6%	24.7%	0.6%
19	**115**	**Savola Group Company**	Saudi Arabia	6,721	Food, Drink & Tobacco	22.6%	19.8%	5.8%
20	**244**	**Wuliangye Yibin Co., Ltd.**	China	3,125	Food, Drink & Tobacco	22.2%	30.7%	31.4%
21	**210**	**Arca Continental, S.A.B. de C.V. (formerly Embotelladoras Arca, S. A. B. de C. V.)**	Mexico	3,622	Food, Drink & Tobacco	21.9%	65.5%	10.4%
22	**221**	**HKScan Corporation**	Finland	3,470	Food, Drink & Tobacco	21.7%	17.9%	0.5%
23	**84**	**Stanley Black & Decker, Inc.**	United States	10,376	Home Improvement Products	20.9%	23.4%	6.7%
24	147	The J.M. Smucker Company	United States	5,526	Food, Drink & Tobacco	20.8%	14.5%	8.3%
25	**167**	**Ralcorp Holdings, Inc.**	United States	4,741	Food, Drink & Tobacco	20.7%	17.1%	-3.9%
26	**186**	**Cheng Shin Rubber Ind. Co., Ltd.**	Taiwan	4,100	Tires	20.1%	20.0%	7.2%
27	136	Henan Shuanghui Investment & Development Co. Ltd.	China	5,829	Food, Drink & Tobacco	20.0%	2.4%	1.7%
28	129	CJ CheilJedang Corp.	South Korea	5,950	Food, Drink & Tobacco	20.0%	15.3%	4.8%
29	**220**	**The Lego Group**	Denmark	3,502	Leisure Goods	19.1%	17.0%	22.2%
30	13	Anheuser-Busch InBev SA/NV	Belgium	39,046	Food, Drink & Tobacco	18.5%	7.6%	20.4%
31	**138**	**China Mengniu Dairy Company Limited**	China	5,794	Food, Drink & Tobacco	18.1%	23.5%	4.8%
32	**137**	**Inner Mongolia Yili Industrial Group Co., Ltd.**	China	5,803	Food, Drink & Tobacco	17.7%	26.2%	4.9%
33	211	Skyworth Digital Holdings Limited	Hong Kong	3,618	Electronic Products	17.5%	15.6%	4.5%
34	**123**	**Sodiaal Union**	France	6,159	Food, Drink & Tobacco	17.2%	68.1%	0.2%
35	82	Grupo Bimbo, S.A.B. de C.V.	Mexico	10,811	Food, Drink & Tobacco	16.0%	14.1%	4.2%
36	236	Premier Foods plc	United Kingdom	3,208	Food, Drink & Tobacco	15.8%	-18.0%	-17.0%
37	**160**	**PT Indofood Sukses Makmur Tbk**	Indonesia	4,987	Food, Drink & Tobacco	15.6%	18.0%	10.8%
38	131	Hankook Tire Co., Ltd.	South Korea	5,905	Tires	15.4%	11.6%	5.5%
39	**150**	**ITC Limited**	India	5,461	Food, Drink & Tobacco	15.3%	17.5%	23.2%
40	230	Natura Cosméticos S.A.	Brazil	3,359	Personal & Household Products	15.2%	8.9%	14.9%
41	**21**	**Lenovo Group Limited**	Hong Kong	29,574	Electronic Products	15.2%	37.0%	1.6%

Companies in **bold type** were also among the 50 fastest-growing consumer products companies in 2011.

[1] Compound annual growth rate
e = estimate
Source: Published company data

FY11 growth rank	FY11 Top 250 rank	Company name	Country	FY11 net sales (US $mil)	Product sector	2006-2011 net sales CAGR[1]	FY11 net sales growth	FY11 net profit margin
42	**34**	**Groupe Lactalis**	France	20,893	Food, Drink & Tobacco	14.9%	44.2%	n/a
43	214	Tsingtao Brewery Co., Ltd.	China	3,589	Food, Drink & Tobacco	14.4%	16.4%	7.8%
44	**12**	**The Coca-Cola Company**	United States	46,542	Food, Drink & Tobacco	14.1%	32.5%	18.6%
45	1	Samsung Electronics Co., Ltd.	South Korea	150,152	Electronic Products	14.1%	6.7%	8.3%
46	50	Reckitt Benckiser Group plc	United Kingdom	15,217	Personal & Household Products	14.0%	12.2%	18.5%
47	7	PepsiCo, Inc.	United States	66,504	Food, Drink & Tobacco	13.6%	15.0%	9.7%
48	215	Kumho Tire Co., Ltd.	South Korea	3,563	Tires	13.5%	11.9%	-0.7%
49	**171**	**GRUMA, S.A.B. de C.V.**	Mexico	4,661	Food, Drink & Tobacco	13.5%	23.7%	10.1%
50	**74**	**Compagnie Financière Richemont SA**	Switzerland	12,226	Fashion Goods	12.9%	28.7%	17.4%
Fastest 50 sales-weighted, currency-adjusted composite						20.8%	21.3%	10.9%
Top 250 sales-weighted, currency-adjusted composite						6.0%	7.0%	6.5%

Companies in **bold type** were also among the 50 fastest-growing consumer products companies in 2011.

[1] Compound annual growth rate
e = estimate
Source: Published company data

The changing face of the consumer products industry, 2006-2011

Every year, above-average growth propels a handful of companies into the Top 250 for the first time. Some have come and gone, while others have continued to rise up in the ranking. Still other companies have leapfrogged into the Top 250, the result of a significant acquisition. In some cases, an appreciating currency against the U.S. dollar was enough to move a few companies beyond other Top 250 contenders in the U.S. dollar-denominated ranking. Several Japanese companies, for example, have joined the ranks of the Top 250 in the past few years, having benefited from a strong yen.

While size determines who is in the Top 250 each year, it is only one part of the story. How the industry has evolved and changed, consolidated and contracted, is the other part. In the six years that Deloitte has been tracking the Global Powers of the consumer products industry, acquisitions, mergers, and divestitures have put many historic names under new ownership, A few companies have been lost to bankruptcy. Others now operate under a new name.

Analysis of the Top 250 from 2006 through 2011 illustrates the ever-changing nature of the consumer products landscape. Among the Top 250 in 2011 are 24 companies that did not exist in their current form in 2006. This group includes six companies that were created through mergers or joint ventures, 10 companies that owe their position among the Top 250 to one or more significant acquisitions, and eight companies that were created by the divestiture of all or part of another entity over the years since 2006.

In addition, 21 former Top 250 companies no longer exist as separate entities, having been acquired since 2006, generally by other Top 250 companies. Finally, 10 companies have changed their names, often following a significant acquisition but sometimes to reflect a different direction for the business or to focus on the heritage of a strong brand name.

As companies navigate a path through a hesitant and uneven economic recovery—seeking to maximize the value of their existing assets and searching for new growth opportunities—the landscape will continue to shift, changing the face of the consumer products industry yet again.

Top 250 companies created by merger

Company name	FY11 Top 250 rank	Fiscal year joined Top 250	Country of origin	Date formed	Comments
JVCKENWOOD Corporation	191	2011	Japan	2008	Management integration of Victor Company of Japan, Limited (JVC) and Kenwood Corporation to form JVC KENWOOD Holdings, Inc.; changed name to JVCKENWOOD Corporation in 2011
MillerCoors	105	2008	United States	2008	Joint venture between SABMiller and Molson Coors
Royal FrieslandCampina	57	2008	Netherlands	2008	Merger between Koninklijke Friesland Foods N.V. and Campina BV
Megmilk Snow Brand Co.	119	2009	Japan	2009	Business merger of Nippon Milk Community Co., Ltd. and Snow Brand Milk Products Co., Ltd.
Meiji Holdings	54	2009	Japan	2009	Management integration of Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation
DMK Deutsches Milchkontor	152	2011	Germany	2010	Merger of operating units of Nordmilch AG and Humana GmbH; DMK commenced business operations in 2011

Top 250 companies created by acquisition

Company name	FY11 Top 250 rank	Fiscal year joined Top 250	Country of origin	Acquired company
JBS	15	2007	Brazil	US-based Swift & Company in 2007; Pilgrim's Pride in 2009; merged with Bertin, another Brazilian beef processor, in 2009; among others
Premier Foods	236	2007	UK	British bakery company RHM in 2007
Groupe Bigard	128	2008	France	Beef rival Socopa in 2009
J.M. Smucker Company	147	2008	United States	Folgers brand coffee business from P&G in 2008
Ralcorp Holdings	167	2008	United States	Post cereals business of Kraft Foods in 2008
Marfrig Alimentos	61	2010	Brazil	Seara Alimentos, Brazil-based meat processor, in 2010; US-based Keystone Foods in 2010
Spectrum Brands	238	2006 & 2010	United States	US small appliance maker Russell Hobbs (formerly Salton) in 2010
PVH Corporation (formerly Phillips-Van Heusen)	155	2010	United States	Lifestyle fashion brand Tommy Hilfiger in 2010
Arca Continental (formerly Embotelladoras Arca)	210	2011	Mexico	Mexican soft drinks company Grupo Continental in 2011
Boparan Holdings (dba 2 Sisters Food Group)	233	2011	UK	British food manufacturer Northern Foods in 2011

Top 250 companies created by divestiture

Company name	FY11 Top 250 rank	Fiscal year joined Top 250	Country of origin	Date formed	Comments
Kraft Foods (now Mondelēz International, Inc.)	9	2007	United States	2007	Spun off from Altria Group
Dr Pepper Snapple Group	132	2008	United States	2008	Spinoff of former Cadbury Schweppes Americas Beverages business from Cadbury plc
Philip Morris International	20	2008	United States	2008	Spun off from Altria Group
Mead Johnson Nutrition Company	206	2011	United States	2009	Spun off from drug manufacturer Bristol-Myers Squibb
Fortune Brands Home & Security	231	2011	United States	2011	Spun off from Fortune Brands Inc. (now spirits company Beam, Inc.)
Motorola Mobility Holdings	65	2010	United States	2011	Motorola Mobility (the consumer business) separated from Motorola, Inc., which changed its name to Motorola Solutions (the professional business); Motorola Mobility acquired by Google in 2012
D.E Master Blenders 1753	202	2011	Netherlands	2012	Spinoff of international coffee and tea business of then Sara Lee Corp.
Kraft Foods Group	n/a	2012	United States	2012	Spinoff of North American grocery business of Kraft Foods, Inc.

Former Top 250 companies that have been acquired

Company name	FY06 Top 250 rank	Country of origin	Date acquired	Acquired by
Gallaher Group	42	United Kingdom	2007	Japan Tobacco
Gateway	150	United States	2007	Acer
Royal Numico	186	Netherlands	2007	Danone
Swift & Company	70	United States	2007	JBS
Altadis	41	Spain	2008	Imperial Tobacco Group
Anheuser-Busch	40	United States	2008	InBev, which changed its name to Anheuser-Busch InBev
Katokichi Co.	202	Japan	2008	Japan Tobacco
Scottish & Newcastle	107	United Kingdom	2008	Jointly by Heineken and Carlsberg
Sony Bmg Music Entertainment	142	United States	2008	Sony
Wrigley	133	United States	2008	Mars
Pilgrim's Pride	119	United States	2009	JBS
Sanyo Electric Co.	31	Japan	2009	Panasonic
Black & Decker	98	United States	2010	The Stanley Works, which changed its name to Stanley Black & Decker
Cadbury*	50	United Kingdom	2010	Kraft Foods
Pactiv Corporation	208	United States	2010	Reynolds Group
PepsiAmericas	151	United States	2010	PepsiCo
Pepsi Bottling Group	53	United States	2010	PepsiCo
Alberto-Culver	160	United States	2011	Unilever
Foster's Group	163	Australia	2011	SABMiller
Parmalat Group	130	Italy	2011	Groupe Lactalis
Wimm-Bill-Dann**	n/a	Russia	2011	PepsiCo

* Cadbury ranked #50 in 2006 as Cadbury Schweppes; name changed to Cadbury following spinoff of Dr Pepper Snapple Group in 2008.
** WBD joined Top 250 in 2010, prior to acquisition by PepsiCo.

Top 250 companies operating under a new name

Company name	FY11 Top 250 rank	Country of origin	Date name changed	Former name
Maxingvest	71	Germany	2007	Tchibo Holding
Anheuser-Busch InBev	13	United States	2008	InBev
Lorillard	177	United States	2008	Carolina Group
Panasonic	3	Japan	2008	Matsushita Electric Industrial Co.
BRF - Brasil Foods	48	Brazil	2009	Perdigão
Stanley Black & Decker	84	United States	2010	The Stanley Works
Triskalia	249	France	2010	Coopagri Bretagne
PVH	155	United States	2011	Phillips-Van Heusen
Hillshire Brands Company	188	United States	2012	Sara Lee Corp.
BlackBerry*	38	Canada	2013	Research In Motion

* Beginning January 30, 2013, RIM began doing business as BlackBerry. Shareholders will vote for the official name change later in 2013.

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 future performance. Large size merely shows 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 future performance. With that goal in mind, we have analyzed the Q ratio of consumer products companies over the last five 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—also known as "Tobin's Q," after the economist James Tobin—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 should 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. Commoditization causes intense price competition and tends to drive 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.

Top 30 consumer products companies by Q ratio	
Henan Shuanghui Investment & Development Co. Ltd.	10.77
ITC Limited	6.95
Mead Johnson Nutrition Company	5.80
Lorillard, Inc.	5.33
Natura Cosméticos S.A.	5.08
Philip Morris International Inc.	4.34
Colgate-Palmolive Company	4.16
LG Household & Health Care Ltd.	4.16
The Hershey Company	4.02
The Estée Lauder Companies Inc.	3.76
Apple Inc.	3.62
NIKE, Inc.	3.15
China Mengniu Dairy Company Limited	3.15
Compagnie Financière Richemont SA	2.94
Ralph Lauren Corporation (formerly Polo Ralph Lauren Corporation)	2.93
Grupo Modelo, S.A.B. de C.V.	2.78
Inner Mongolia Yili Industrial Group Co., Ltd.	2.77
The Swatch Group Ltd.	2.75
Herbalife Ltd.	2.69
Tingyi (Cayman Islands) Holding Corp.	2.65
Wuliangye Yibin Co., Ltd.	2.63
Saputo Inc.	2.63
The Clorox Company	2.48
Essilor International (Compagnie Générale D'Optique) S.A.	2.47
Mattel, Inc.	2.47
Arca Continental, S.A.B. de C.V. (formerly Embotelladoras Arca, S.A.B. de C.V.)	2.45
D.E Master Blenders 1753 N.V.	2.44
L'Oréal S.A.	2.42
Tsingtao Brewery Co., Ltd.	2.41
British American Tobacco plc	2.36

What do the numbers show?

This year the Q ratio was calculated for 190 publicly traded consumer products companies, compared with 189 companies last year and 186 the previous year. 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 1.327, considerably higher than in recent years. Last year the composite Q ratio was 1.200 compared with 1.205 the year before, and 1.068 and 0.800 in the two prior years respectively. Given the recovery in the global economy and the rise of equity prices in many markets, it is no surprise that the composite Q ratio has risen.

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. First on the list is Henan Shuanghui Investment & Development Co., a producer of meat that is sold in Chinese grocery stores. Interestingly, of the top 20 companies on the list, seven come from emerging markets, and four of these companies are from China. Not surprisingly, 10 of the top 20 are from the United States. Among the top 20 are some familiar names. These include U.S.-based Apple, the technology company whose products are not only innovative but have a strong fashion element – one explanation for their strong brand identity. Apple is also classified as a retailer in this year's *Global Powers of Retailing* and it ranks high on that report's Q ratio ranking for retailers. Also near the top are leading tobacco companies such as Lorillard and Philip Morris, food companies such as Hershey, personal and household product makers such as Colgate-Palmolive and the Estee Lauder Company, and fashion companies such as Nike and Swatch. 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 the 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 to stand on.

- 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 Switzerland, followed by the U.S. As was the case last year and the year before that, the country with the lowest Q ratio is Japan. Low Q ratios are also found in Brazil, Hong Kong, Sweden, and Taiwan. Strong Q ratios are found in China, France, Germany, Mexico, South Korea, and the UK.

- 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 fashion goods, since success in fashion usually requires strong brand identity. The other industries with relatively high composite Q ratios were food, drink, and tobacco, as well as personal and household products. This has not changed since last year. By contrast, such industries as tires, home furnishing, and home improvement had relatively low composite Q ratios.

Q ratio by country	
Switzerland	1.92
United States	1.86
Mexico	1.76
UK	1.64
China	1.49
Germany	1.33
France	1.30
South Korea	1.28
Italy	1.16
Canada	0.91
Taiwan	0.87
Sweden	0.79
Hong Kong	0.73
Brazil	0.69
Japan	0.45

Q ratio by region	
North America	1.84
Europe	1.41
Asia/Pacific (less Japan)	1.32
Latin America	1.17
Asia/Pacific	0.75
Africa/Middle East	0.7

Q ratio by primary product sector	2013	2012	2011	2010
Fashion Goods	1.95	2.26	2.16	1.02
Personal and Household Products	1.79	1.34	1.55	1.50
Food, Drink, and Tobacco	1.41	1.24	1.22	1.13
Leisure Goods	1.05	1.09	1.06	0.90
Electronic Products	1.04	1.03	1.48	1.53
Home Furnishings & Equipment	0.87	0.75	0.77	0.81
Home Improvement Products	0.76	0.69	0.82	0.59
Tires	0.59	0.47	0.45	0.42

Study methodology and data sources

To be considered for this list, a company must first have been designated as a manufacturer (primary SIC code 20-39). Each company was then analyzed in an attempt to determine if the majority of its fiscal 2011 sales were 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 under contract for other companies—and included only the companies whose brands are on the final products. We also have excluded motor vehicles, as this industry is 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 2011 net sales, which may include sales of commercial and industrial products as well as consumer products. Excise taxes were excluded from the sales of tobacco and drinks companies. Our fiscal 2011 definition encompasses companies' fiscal years ended through June 2012.

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 trade journal estimates, industry analyst reports, and various business information databases.

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. Individual company growth rates and other financial ratios, however, were calculated in the company's local currency.

Group financial results

This report uses sales-weighted composites rather than simple arithmetic averages as the primary measure for understanding group financial results. Therefore, results of larger companies contribute more to the composite than do results of smaller companies. Because the data have been converted to U.S. dollars for ranking purposes and to facilitate comparison among groups, composite growth rates also have been adjusted to correct for currency movement. While these composite results generally behave in a similar fashion to arithmetic averages, they provide better representative values for benchmarking purposes.

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 was accurate as of the date the financial report was originally issued. Although a company may have restated prior-year results to reflect a change in its operations, such restatements are not reflected in this data. This study is not an accounting report. It is intended to provide a reflection of market dynamics and their impact on the structure of the consumer products industry over a period of time. As a result of these factors, growth rates for individual companies may not correspond to other published results.

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