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**Cash Flow Trends and Their Fundamental Drivers: A Continuing Look**

**Comprehensive Industry Review (Qtr 4, 2008)**

**Food, Beverage & Tobacco (GICS 3020)**

**EXECUTIVE SUMMARY**

This research report is one of a series that looks at the cash flow performance of Corporate America. Our primary focus is on free cash margin, or free cash flow measured as a percent of revenue. The current study provides our comprehensive review for the Food, Beverage & Tobacco (GICS 3020) through Q3, 2008.

Food, Beverage & Tobacco (GICS 3020) finished the rolling 12-months ended December 2008 with a median free cash margin of 8.55% a sharp drop from 11.69% seen for the 12-months ended December 2007. Median free cash margin has been in a freefall since the 12-months ended March 2008 when free cash margin touched a high of 12.41%. A similar fall in median operating cash margin from 15.86% for the 12-months ended December 2007 to 12.30% for the 12-months ended December 2008 even as median capital expenditures to revenue remained fairly stable at 3.75% for the 12-months ended December 2008 compared to 4.16% for the 12-months ended December 2007.

Data for this research were provided by Cash Flow Analytics, LLC., [www.cashflowanalytics.com](http://www.cashflowanalytics.com). Charles Mulford is a principal in Cash Flow Analytics, LLC. May, 2009

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**Georgia Tech Financial Analysis Lab**

The Georgia Tech Financial Analysis Lab conducts research on issues of financial reporting and analysis. Unbiased information is vital to effective investment decision-making. Accordingly, we think that independent research organizations, such as our own, have an important role to play in providing information to market participants.

Because our Lab is housed within a university, all of our research reports have an educational quality, as they are designed to impart knowledge and understanding to those who read them. Our focus is on issues that we believe will be of interest to a large segment of stock market participants. Depending on the issue, we may focus our attention on individual companies, groups of companies, or on large segments of the market at large.

A recurring theme in our work is the identification of reporting practices that give investors a misleading signal, whether positive or negative, of corporate earning power. We define earning power as the ability to generate a sustainable stream of earnings that is backed by cash flow. Accordingly, our research may look into reporting practices that affect either earnings or cash flow, or both. At times, our research may look at stock prices generally, though from a fundamental and not technical point of view.

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Cash Flow Trends and Their Fundamental Drivers: A Continuing Look. Comprehensive Industry Review (Qtr 4 2008). (c) 2009 by the College of Management, Georgia Institute of Technology, Atlanta, GA 30332-0520.

## Food, Beverage & Tobacco (GICS 3020)

<b>Sub-industries included:</b>	<b>Page</b>
<b>Beverages (GICS 302010)</b>	<b>15</b>
<b>Food Products (GICS 302020)</b>	<b>16</b>
<b>Tobacco (GICS 302030)</b>	<b>17</b>

### Observations

Food, Beverage & Tobacco (GICS 3020) finished the rolling 12-months ended December 2008 with a median free cash margin of 8.55% a sharp drop from 11.69% seen for the 12-months ended December 2007. Median free cash margin has been in a freefall since the 12-months ended March 2008 when free cash margin touched a high of 12.41%. A similar fall was observed in median operating cash margin, which declined from 15.86% for the 12-months ended December 2007 to 12.30% for the 12-months ended December 2008. During this time median capital expenditures to revenue remained fairly stable at 3.75% for the 12-months ended December 2008 compared to 4.16% for the 12-months ended December 2007. Interesting nevertheless is the slight rise in median net margin from 10.73% for the 12-months ended December 2007 to 11.07% for the 12-months ended December 2008.

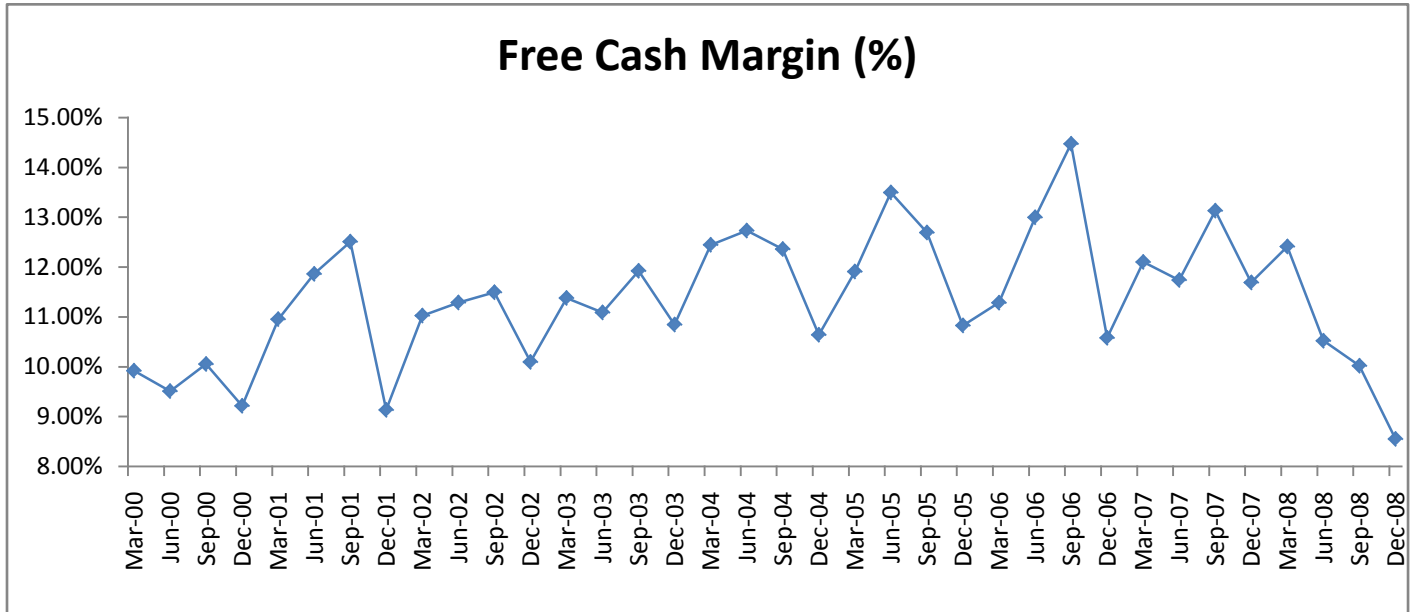
The drop in median operating cash margin, to an extent, can be explained by a corresponding drop in median operating cushion over the same period from 22.65% for the 12-months ended December 2007 to 20.88% for the 12-months ended December 2008. A slight fall in median gross margin that fell from 47.96% for the 12-months ended December 2007 to 47.50% for the 12-months ended December 2008 and a corresponding rise in median SG&A% over the same period from 24.54% to 25.80% accounted for the fall in median operating cushion noted earlier. Median gross margin has, in fact, been on a long-term downtrend since its recent peak at 55.02% for the 12-months ended March 2002 before bottoming at 45.84% for the 12-months ended December 2006. Compensating for this fall in gross margin% has been a corresponding long-term downtrend in SG&A%, which fell from a high of 33.56% for the 12-months ended March 2000 to its recent bottom of 23.40% for the 12-months ended March 2008.

Median cash cycle appears quite seasonal peaking generally in June and December. Median cash cycle for the 12-months ended December 2008 was 48.06 days compared to, an almost equal, 48.09 days for the 12-months ended December 2007.

Among the constituent sub-industries, Beverages (GICS: 302010) witnessed a steady drop in median free cash margin from 7.73% for the 12-months ended December 2007 to 4.35% for the 12-months ended December 2008 with the most steep fall coming from September to December. Median free cash margin for the Food Products Industry (GICS: 302020) has been on a decline since the 12-months ended June 2007 when it reached 3.82% before touching its recent low of 1.56% for the 12-months ended June 2008. Median free cash margin has, in fact risen since then reaching 2.34% for the 12-months ended December 2008. Although, Tobacco (GICS: 302030) ended the 12-months ended December 2008 with a median free cash margin of 17.69% for the 12-months ended December 2008 compared to 19.73% for the 12-months ended December 2007, free cash margin moved in a very wide range from 11.15% to 23.96% over this period.

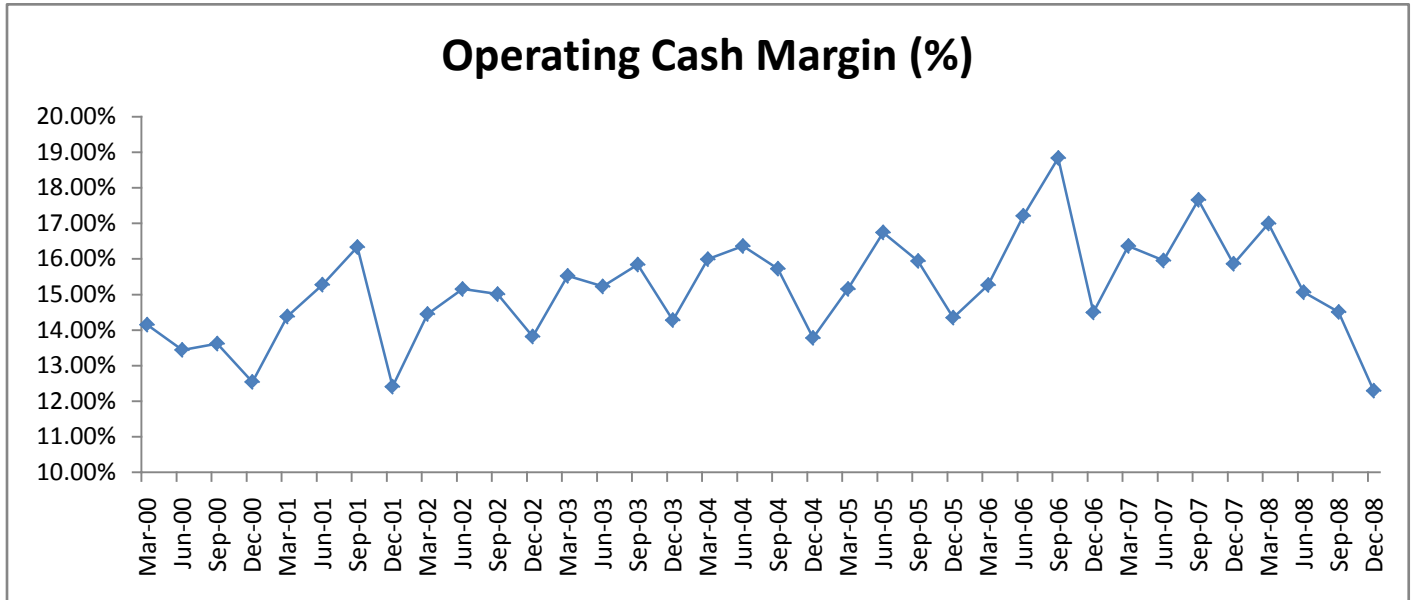
## Cash Flow Margins

**Exhibit 1: Median Free Cash Margin, 2000 – 2008, Food, Beverage & Tobacco (3020)**



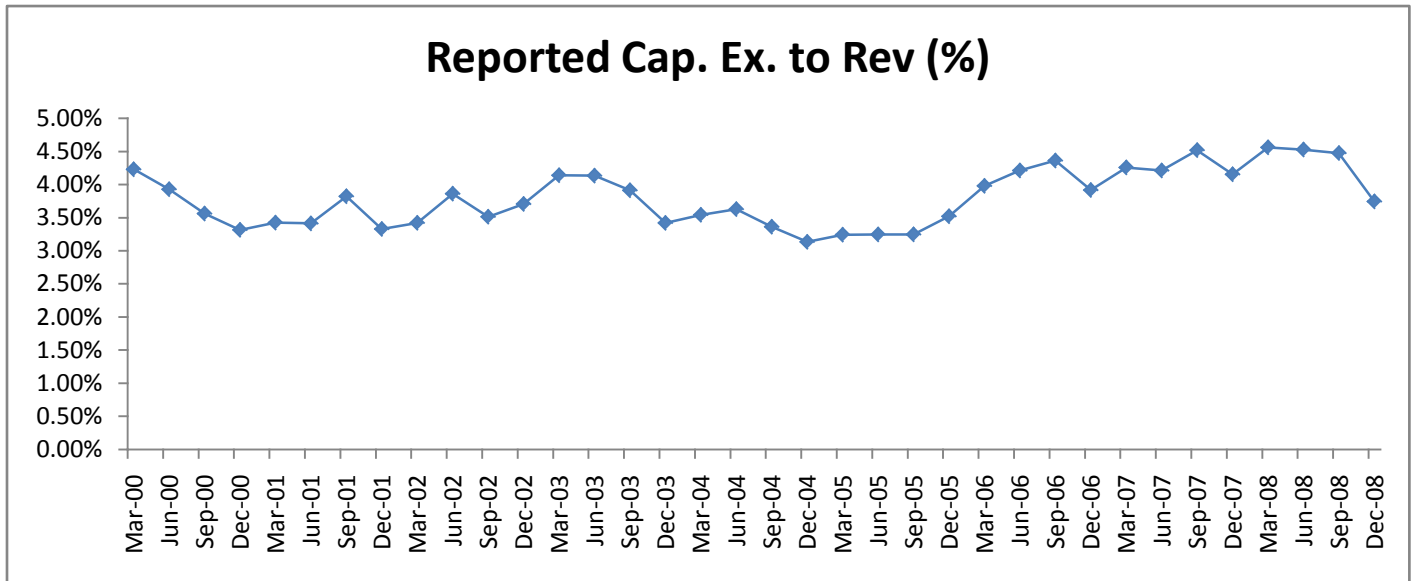
Refer to Table 1 for data supporting the graph.

**Exhibit 2: Median Operating Cash Margin, 2000 – 2008, Food, Beverage & Tobacco (3020)**



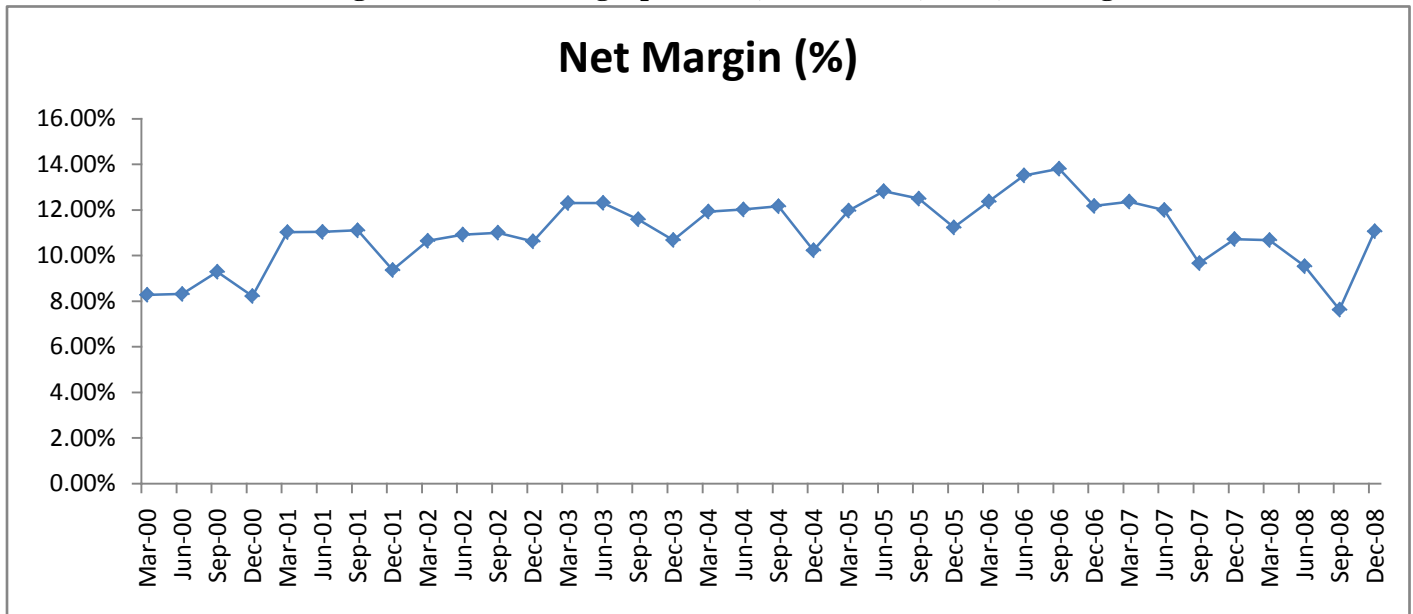
Refer to Table 1 for data supporting the graph.

**Exhibit 3: Capital Expenditure as a percentage of Revenue, 2000 – 2008, Food, Beverage & Tobacco (3020)**



Refer to Table 1 for data supporting the graph.

**Exhibit 4: Median Net Margin from Continuing Operations, 2000 – 2008, Food, Beverage & Tobacco (3020)**



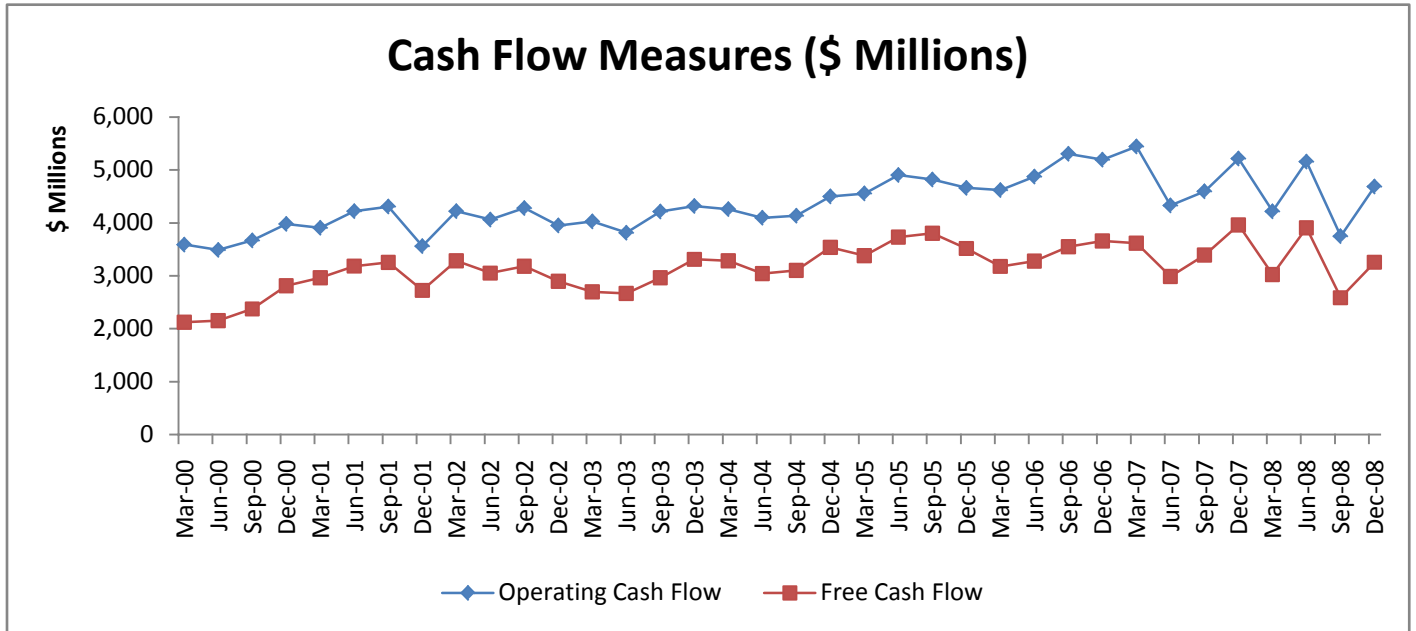
Refer to Table 1 for data supporting the graph.

**Table 1: Median Margins, 2000 – 2008, Food, Beverage & Tobacco (3020)**

Date	Operating Cash Margin (%)	Free Cash Margin (%)	Net Margin (%)	Reported Cap. Ex. to Rev (%)
Mar-00	14.15%	9.92%	8.28%	4.23%
Jun-00	13.45%	9.51%	8.32%	3.93%
Sep-00	13.62%	10.05%	9.29%	3.56%
Dec-00	12.55%	9.22%	8.23%	3.32%
Mar-01	14.38%	10.95%	11.03%	3.43%
Jun-01	15.28%	11.86%	11.04%	3.41%
Sep-01	16.33%	12.51%	11.11%	3.82%
Dec-01	12.41%	9.13%	9.37%	3.33%
Mar-02	14.45%	11.03%	10.65%	3.42%
Jun-02	15.15%	11.29%	10.92%	3.86%
Sep-02	15.01%	11.49%	11.01%	3.51%
Dec-02	13.82%	10.10%	10.63%	3.71%
Mar-03	15.52%	11.38%	12.30%	4.14%
Jun-03	15.23%	11.09%	12.32%	4.13%
Sep-03	15.84%	11.92%	11.59%	3.91%
Dec-03	14.28%	10.85%	10.69%	3.42%
Mar-04	15.99%	12.44%	11.93%	3.54%
Jun-04	16.36%	12.73%	12.02%	3.63%
Sep-04	15.73%	12.36%	12.17%	3.36%
Dec-04	13.78%	10.64%	10.23%	3.14%
Mar-05	15.16%	11.91%	11.97%	3.24%
Jun-05	16.74%	13.49%	12.83%	3.25%
Sep-05	15.94%	12.69%	12.50%	3.25%
Dec-05	14.35%	10.83%	11.24%	3.52%
Mar-06	15.27%	11.28%	12.37%	3.98%
Jun-06	17.21%	13.00%	13.52%	4.21%
Sep-06	18.84%	14.47%	13.81%	4.36%
Dec-06	14.50%	10.58%	12.18%	3.92%
Mar-07	16.36%	12.10%	12.37%	4.26%
Jun-07	15.95%	11.74%	12.00%	4.21%
Sep-07	17.66%	13.13%	9.67%	4.52%
Dec-07	15.86%	11.69%	10.73%	4.16%
Mar-08	16.99%	12.41%	10.68%	4.56%
Jun-08	15.06%	10.52%	9.53%	4.53%
Sep-08	14.51%	10.02%	7.63%	4.48%
Dec-08	12.30%	8.55%	11.07%	3.75%

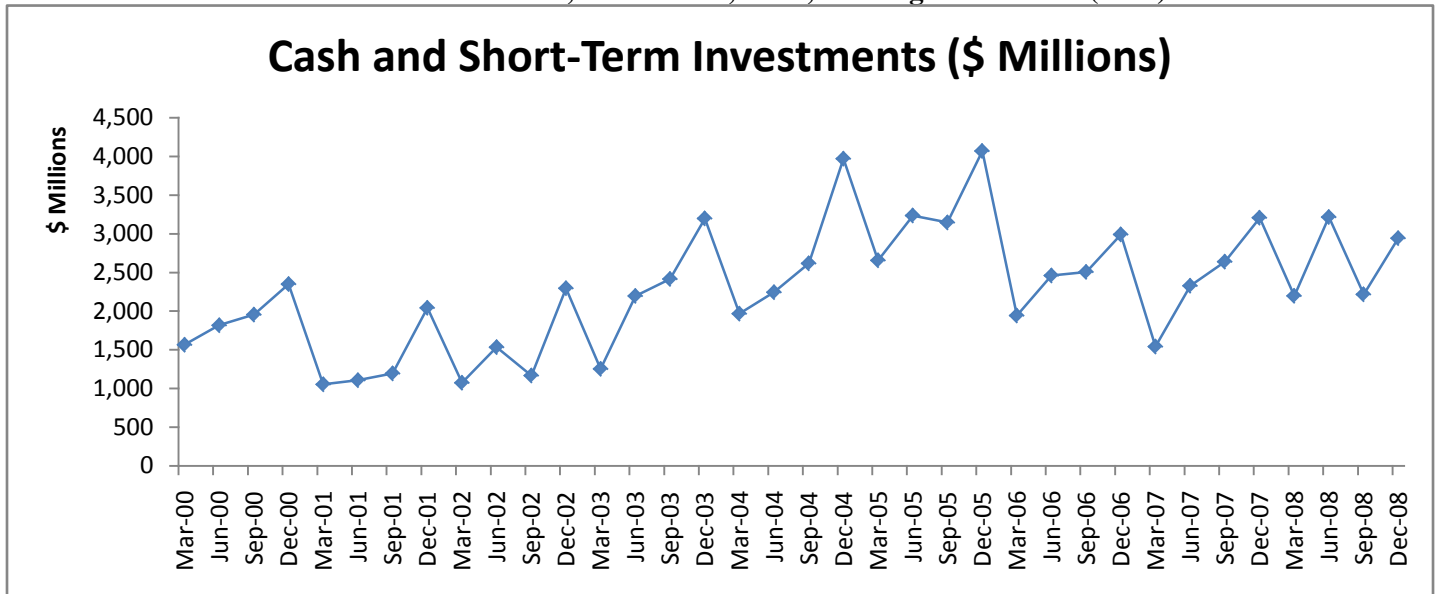
**Cash Flow Measures**

**Exhibit 5: Median Free Cash Flow and Median Operating Cash Flow, 2000 – 2008, Food, Beverage & Tobacco (3020)**



Refer to Table 2 for data supporting the graph.

**Exhibit 6: Cash and Short-term Investments, 2000 – 2008, Food, Beverage & Tobacco (3020)**



Refer to Table 2 for data supporting the graph.

**Table 2: Cash Flow Measures, 2000 – 2008, Food, Beverage & Tobacco (3020)**

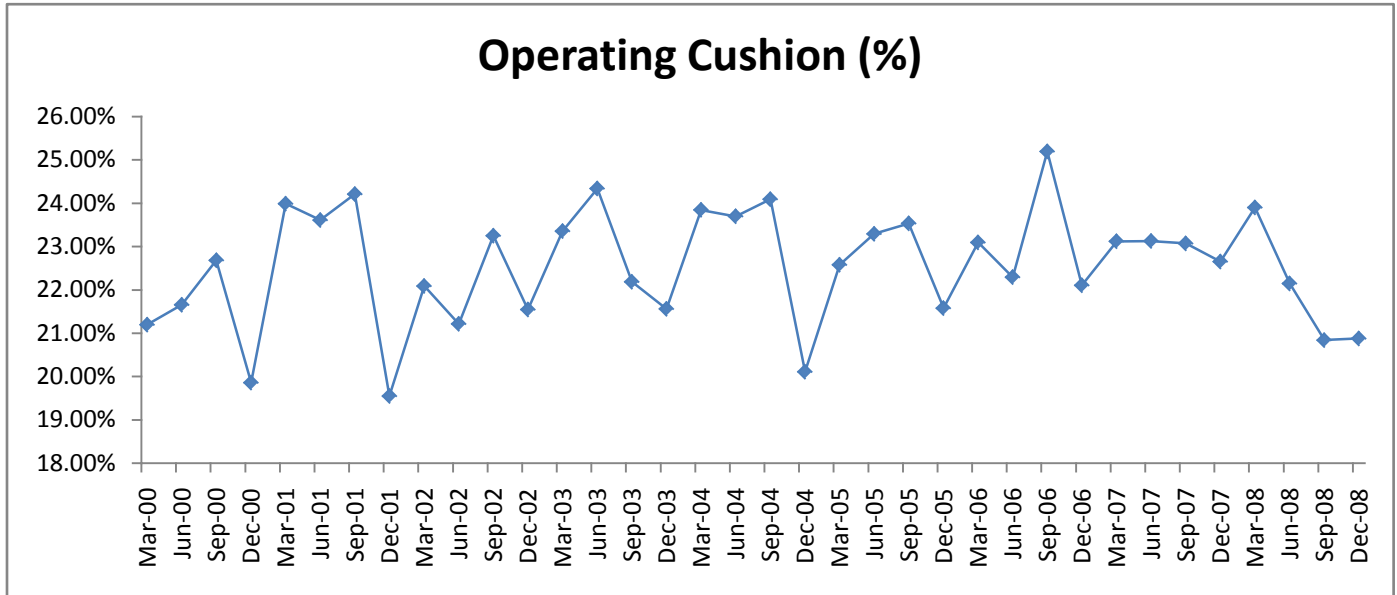
Date	Operating Cash Flow	% Change	Free Cash Flow	% Change	Cash and Short-Term Investments	% Change
Mar-00	3,588,298,741		2,125,321,387		1,565,240,534	
Jun-00	3,488,121,119	-2.79%	2,157,258,495	1.50%	1,817,101,346	16.09%
Sep-00	3,667,711,338	5.15%	2,376,729,691	10.17%	1,954,623,900	7.57%
Dec-00	3,979,384,914	8.50%	2,813,077,068	18.36%	2,349,294,199	20.19%
Mar-01	3,906,210,351	-1.84%	2,963,987,769	5.36%	1,054,240,722	-55.13%
Jun-01	4,220,276,883	8.04%	3,185,765,967	7.48%	1,107,227,384	5.03%
Sep-01	4,307,630,191	2.07%	3,256,430,867	2.22%	1,195,038,663	7.93%
Dec-01	3,560,091,857	-17.35%	2,727,051,874	-16.26%	2,042,036,659	70.88%
Mar-02	4,220,431,434	18.55%	3,284,698,536	20.45%	1,074,497,372	-47.38%
Jun-02	4,061,038,177	-3.78%	3,053,983,713	-7.02%	1,534,464,337	42.81%
Sep-02	4,278,714,139	5.36%	3,183,503,640	4.24%	1,167,931,354	-23.89%
Dec-02	3,950,574,946	-7.67%	2,899,949,728	-8.91%	2,295,411,975	96.54%
Mar-03	4,026,738,736	1.93%	2,699,014,202	-6.93%	1,253,857,436	-45.38%
Jun-03	3,812,503,715	-5.32%	2,667,996,924	-1.15%	2,195,843,912	75.13%
Sep-03	4,213,372,644	10.51%	2,966,489,174	11.19%	2,414,817,889	9.97%
Dec-03	4,317,716,785	2.48%	3,313,851,655	11.71%	3,197,045,709	32.39%
Mar-04	4,258,589,284	-1.37%	3,284,051,643	-0.90%	1,966,696,012	-38.48%
Jun-04	4,095,943,386	-3.82%	3,043,533,106	-7.32%	2,243,880,001	14.09%
Sep-04	4,133,984,440	0.93%	3,105,813,857	2.05%	2,616,695,773	16.61%
Dec-04	4,498,837,699	8.83%	3,538,909,761	13.94%	3,968,533,594	51.66%
Mar-05	4,555,507,463	1.26%	3,380,880,253	-4.47%	2,655,713,551	-33.08%
Jun-05	4,902,881,862	7.63%	3,732,231,062	10.39%	3,234,558,340	21.80%
Sep-05	4,817,395,626	-1.74%	3,803,990,640	1.92%	3,144,519,946	-2.78%
Dec-05	4,659,405,520	-3.28%	3,518,449,632	-7.51%	4,068,195,458	29.37%
Mar-06	4,618,294,520	-0.88%	3,180,039,218	-9.62%	1,942,847,147	-52.24%
Jun-06	4,873,250,307	5.52%	3,280,091,175	3.15%	2,459,551,563	26.60%
Sep-06	5,303,326,042	8.83%	3,551,257,040	8.27%	2,505,983,705	1.89%
Dec-06	5,192,425,134	-2.09%	3,660,784,611	3.08%	2,990,366,725	19.33%
Mar-07	5,441,809,424	4.80%	3,616,371,254	-1.21%	1,541,915,319	-48.44%
Jun-07	4,328,571,547	-20.46%	2,991,033,986	-17.29%	2,327,321,734	50.94%
Sep-07	4,595,447,813	6.17%	3,393,532,660	13.46%	2,638,388,340	13.37%
Dec-07	5,214,015,055	13.46%	3,963,482,371	16.80%	3,205,930,743	21.51%
Mar-08	4,217,138,810	-19.12%	3,025,411,788	-23.67%	2,196,928,765	-31.47%
Jun-08	5,155,771,180	22.26%	3,906,645,642	29.13%	3,214,905,848	46.34%
Sep-08	3,748,419,095	-27.30%	2,588,243,343	-33.75%	2,216,698,767	-31.05%
Dec-08	4,685,341,055	25.00%	3,257,910,131	25.87%	2,941,951,064	32.72%



**Cash Flow Drivers**

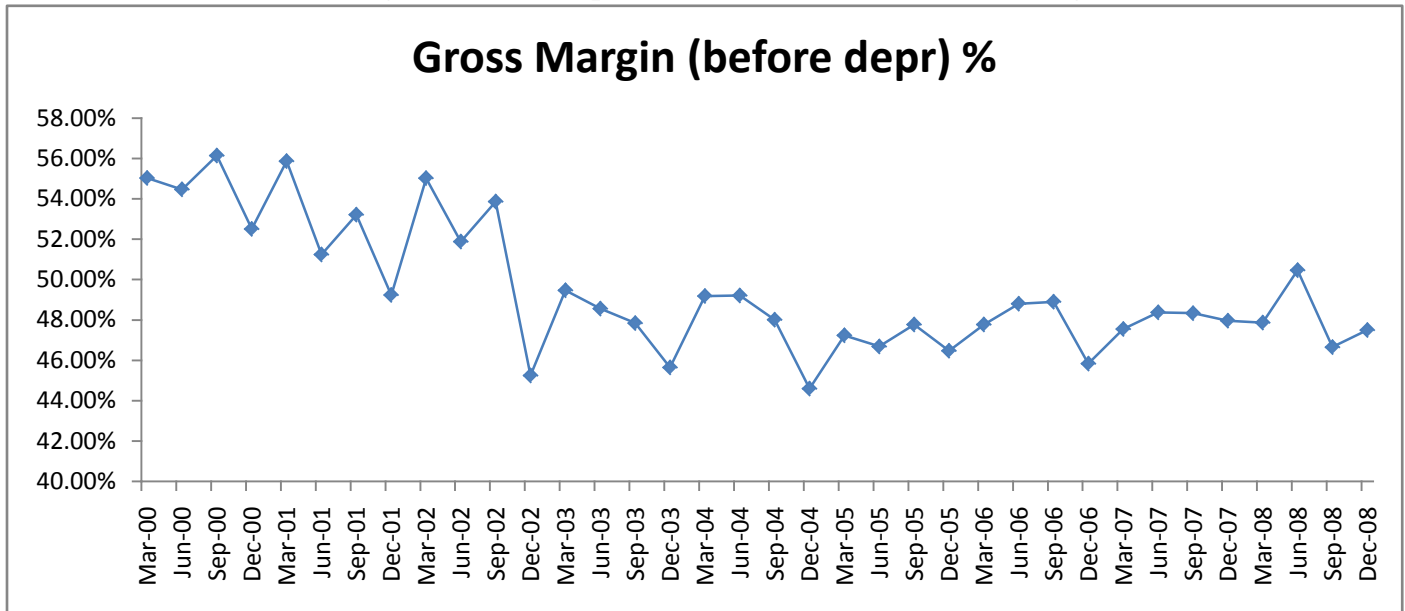
**Profitability**

**Exhibit 7: Median Operating Cushion, 2000 – 2008, Food, Beverage & Tobacco (3020)**



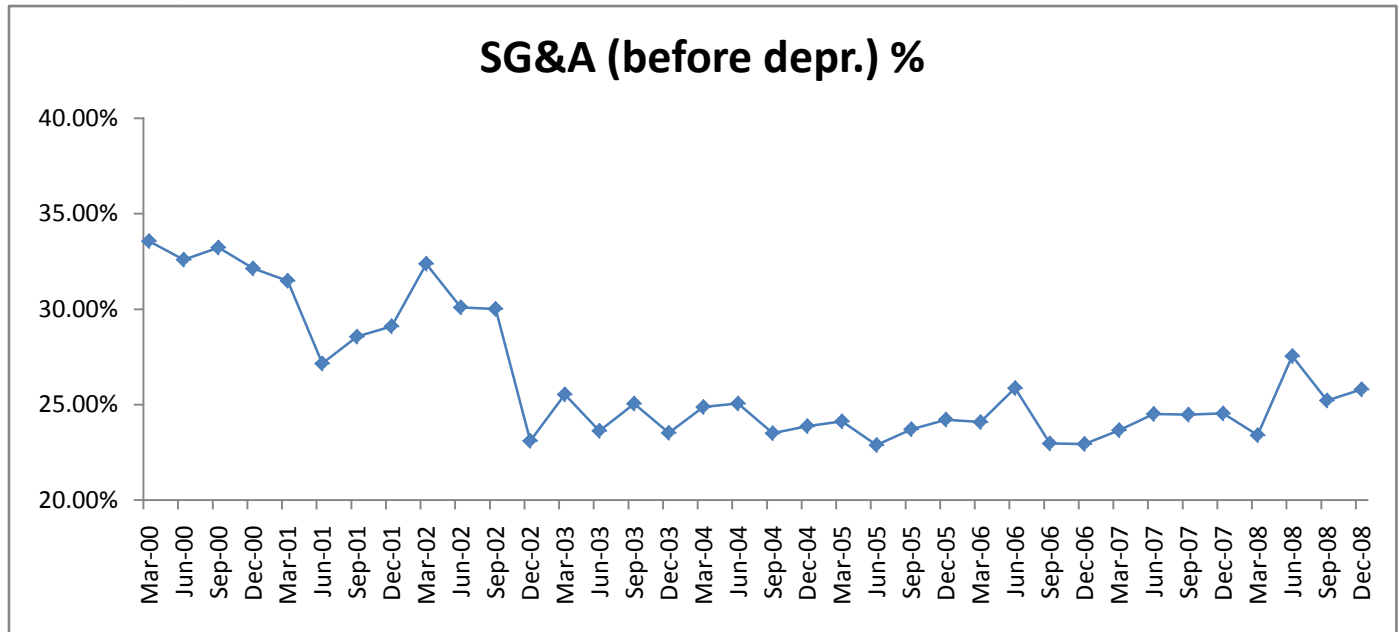
Refer to Table 3 for data supporting the graph.

**Exhibit 8: Median Gross Margin % (before depreciation), 2000 – 2008, Food, Beverage & Tobacco (3020)**



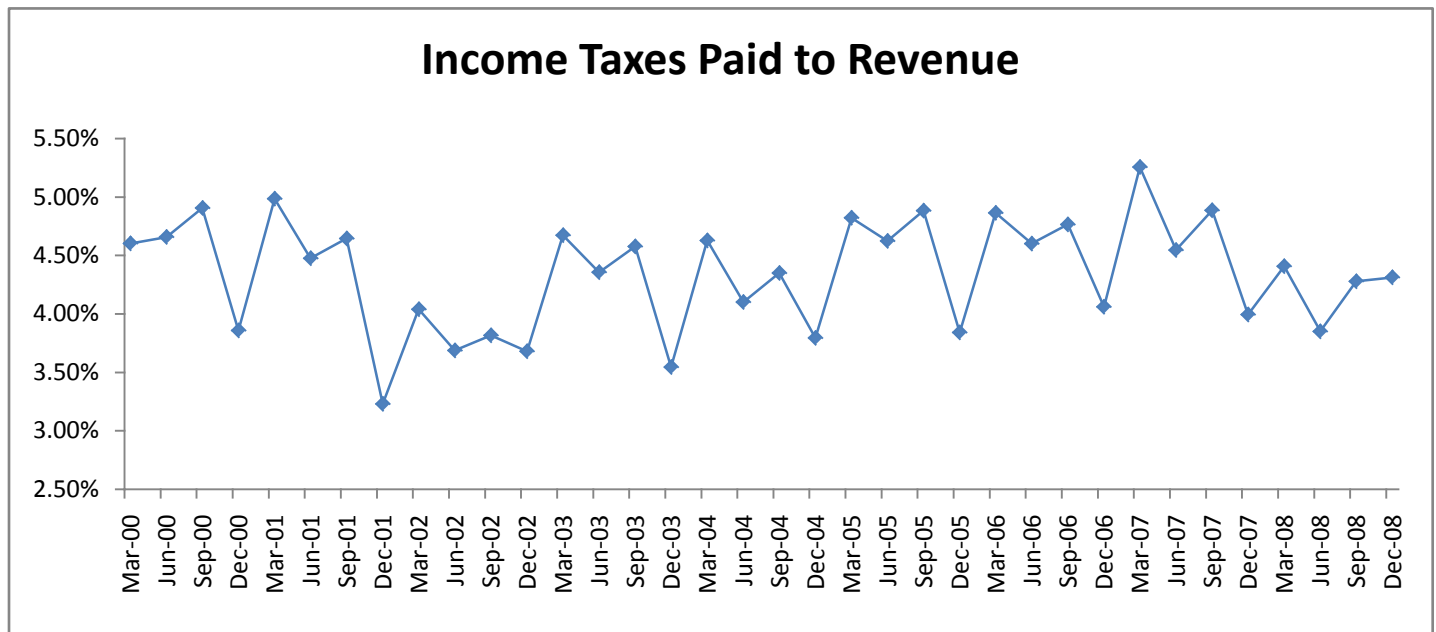
Refer to Table 3 for data supporting the graph.

**Exhibit 9: Median Selling, General and Administrative Expense % (before depreciation), 2000 – 2008, Food, Beverage & Tobacco (3020)**



Refer to Table 3 for data supporting the graph.

**Exhibit 10: Median Income Taxes Paid % (before depreciation), 2000 – 2008, Food, Beverage & Tobacco (3020)**



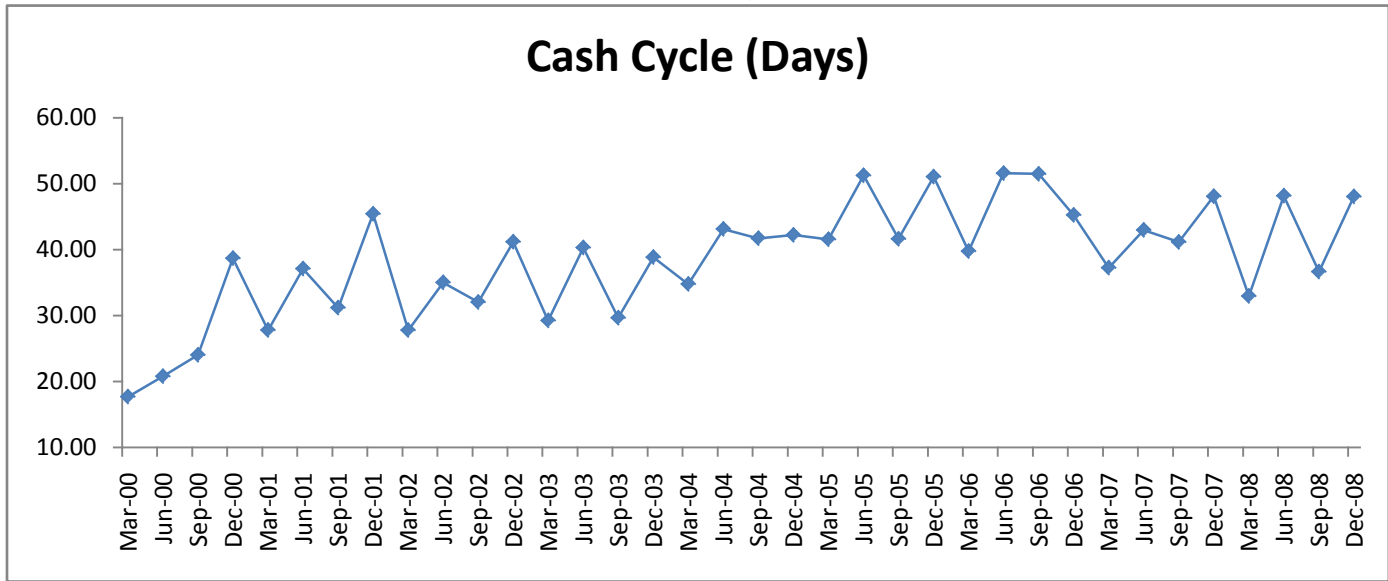
Refer to Table 3 for data supporting the graph.

**Table 3: Profitability, 2000 – 2008, Food, Beverage & Tobacco (3020)**

Date	Operating Cushion %	Gross Margin (before depr) %	SG&A (before depr.) %	Revenue	% Change	Income Taxes Paid to Revenue
Mar-00	21.19%	55.03%	33.56%	21,424,610,755		4.60%
Jun-00	21.65%	54.47%	32.59%	22,681,721,112	5.87%	4.66%
Sep-00	22.68%	56.14%	33.22%	23,639,642,837	4.22%	4.91%
Dec-00	19.86%	52.51%	32.13%	30,523,839,712	29.12%	3.86%
Mar-01	23.99%	55.87%	31.48%	27,060,967,491	-11.34%	4.98%
Jun-01	23.61%	51.24%	27.15%	26,859,168,430	-0.75%	4.48%
Sep-01	24.21%	53.21%	28.56%	26,036,866,287	-3.06%	4.64%
Dec-01	19.55%	49.24%	29.10%	29,856,052,927	14.67%	3.23%
Mar-02	22.09%	55.02%	32.38%	29,793,184,000	-0.21%	4.04%
Jun-02	21.21%	51.88%	30.09%	27,057,532,673	-9.18%	3.69%
Sep-02	23.25%	53.86%	30.01%	27,699,500,914	2.37%	3.82%
Dec-02	21.54%	45.25%	23.10%	28,723,749,287	3.70%	3.68%
Mar-03	23.36%	49.47%	25.53%	23,721,341,201	-17.42%	4.67%
Jun-03	24.34%	48.56%	23.63%	24,062,021,321	1.44%	4.36%
Sep-03	22.18%	47.84%	25.05%	24,882,479,232	3.41%	4.58%
Dec-03	21.56%	45.65%	23.52%	30,556,492,895	22.80%	3.55%
Mar-04	23.85%	49.19%	24.87%	26,390,643,229	-13.63%	4.63%
Jun-04	23.70%	49.21%	25.06%	23,910,229,446	-9.40%	4.10%
Sep-04	24.09%	48.01%	23.50%	25,129,976,996	5.10%	4.35%
Dec-04	20.11%	44.60%	23.87%	33,260,430,087	32.35%	3.79%
Mar-05	22.58%	47.24%	24.12%	28,391,671,594	-14.64%	4.82%
Jun-05	23.29%	46.69%	22.88%	27,660,498,498	-2.58%	4.62%
Sep-05	23.53%	47.78%	23.71%	29,976,285,583	8.37%	4.88%
Dec-05	21.58%	46.48%	24.22%	32,496,994,851	8.41%	3.84%
Mar-06	23.09%	47.78%	24.08%	28,184,341,208	-13.27%	4.86%
Jun-06	22.29%	48.80%	25.86%	25,241,178,719	-10.44%	4.60%
Sep-06	25.19%	48.90%	22.96%	24,543,901,032	-2.76%	4.76%
Dec-06	22.10%	45.84%	22.94%	34,604,259,482	40.99%	4.06%
Mar-07	23.12%	47.55%	23.66%	29,887,365,735	-13.63%	5.26%
Jun-07	23.13%	48.38%	24.51%	25,481,632,188	-14.74%	4.55%
Sep-07	23.07%	48.33%	24.47%	25,849,578,457	1.44%	4.89%
Dec-07	22.65%	47.96%	24.54%	33,907,796,826	31.17%	3.99%
Mar-08	23.90%	47.87%	23.40%	24,378,821,822	-28.10%	4.41%
Jun-08	22.15%	50.47%	27.54%	37,135,414,850	52.33%	3.85%
Sep-08	20.84%	46.66%	25.22%	25,833,350,066	-30.43%	4.28%
Dec-08	20.88%	47.50%	25.80%	38,095,300,877	47.47%	4.31%

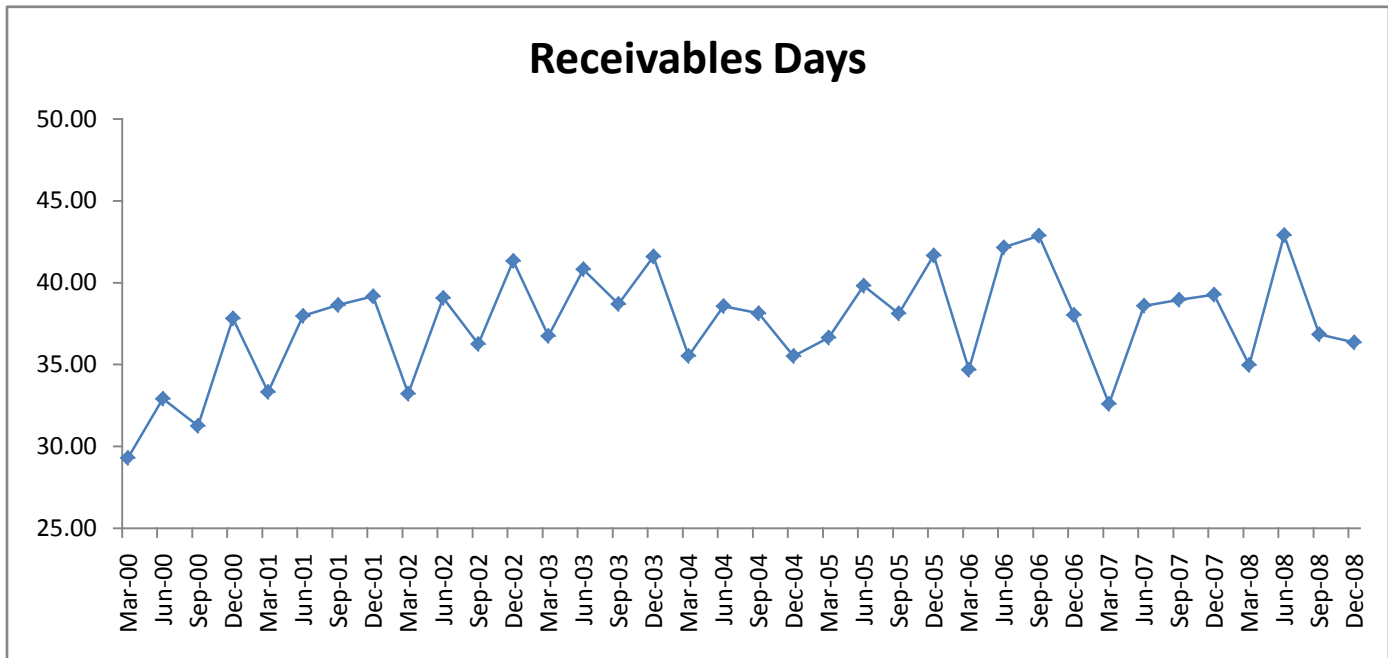
**Efficiency**

**Exhibit 11: Median Cash Cycle, 2000 – 2008, Food, Beverage & Tobacco (3020)**



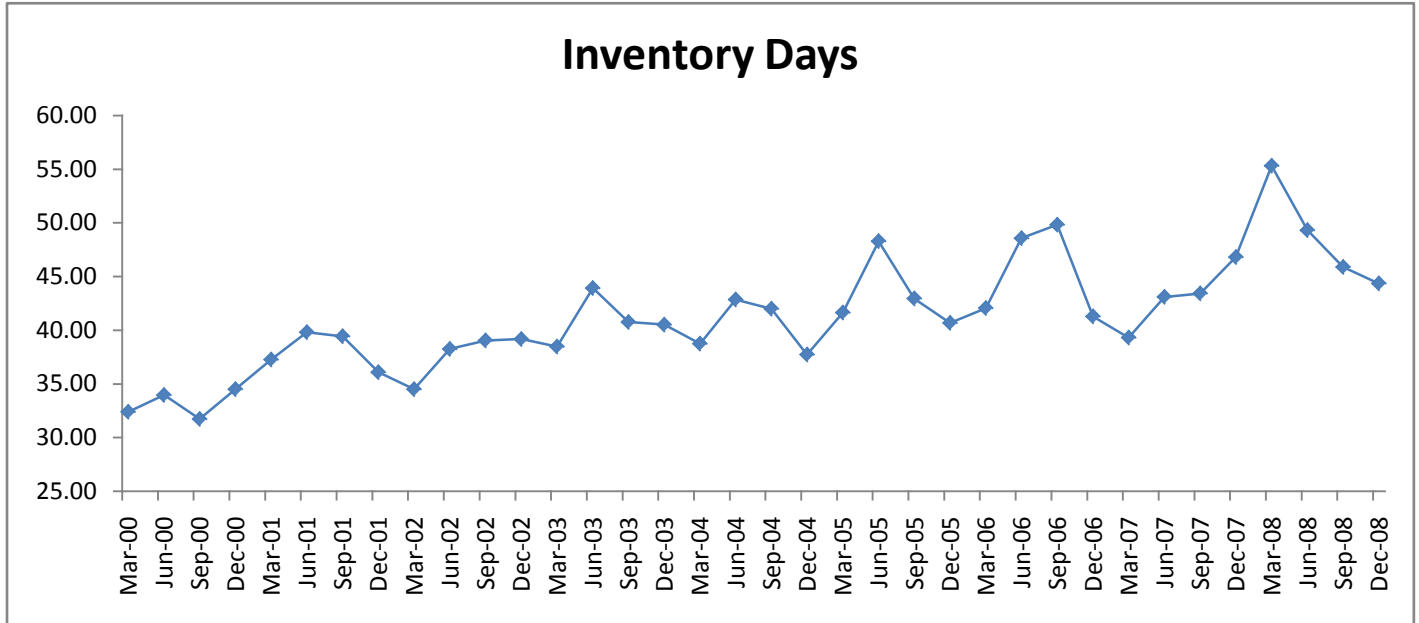
Refer to Table 4 for data supporting the graph.

**Exhibit 12: Median Receivables Days, 2000 – 2008, Food, Beverage & Tobacco (3020)**



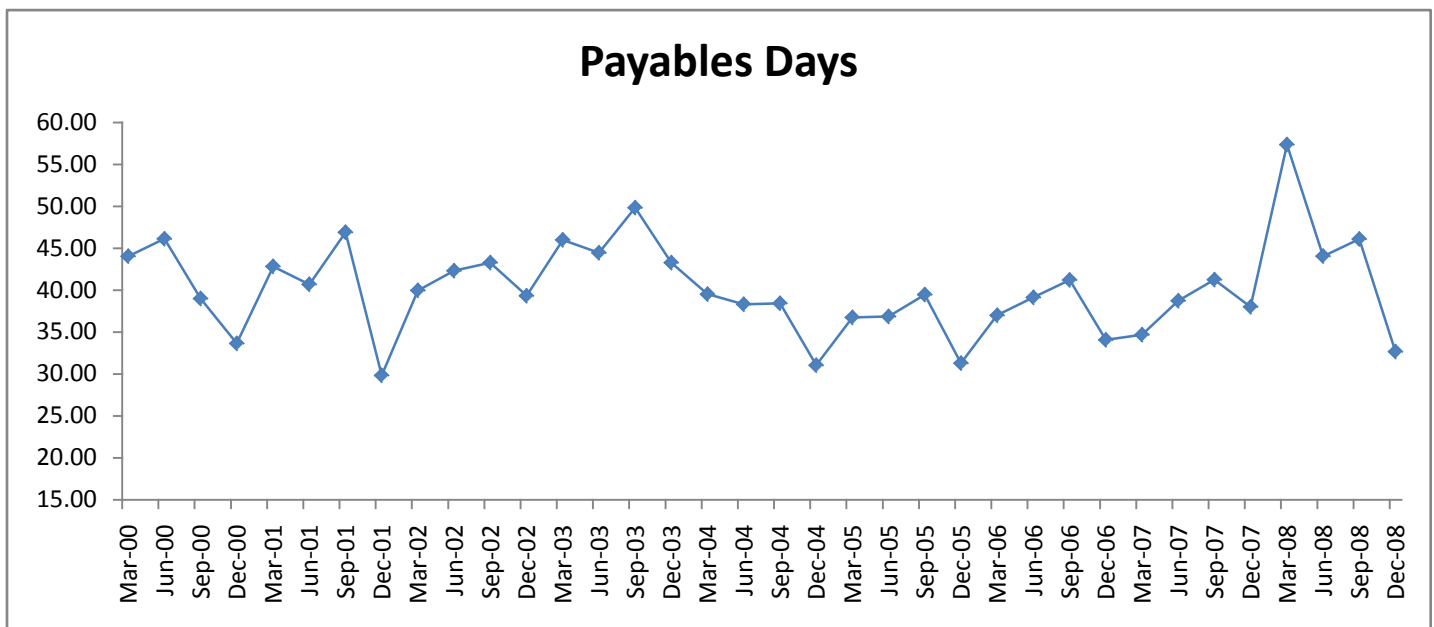
Refer to Table 4 for data supporting the graph.

**Exhibit 13: Median Inventory Days, 2000 – 2008, Food, Beverage & Tobacco (3020)**



Refer to Table 4 for data supporting the graph.

**Exhibit 14: Median Payables Days, 2000 – 2008, Food, Beverage & Tobacco (3020)**



Refer to Table 4 for data supporting the graph.

**Table 4: Efficiency, 2000 – 2008, Food, Beverage & Tobacco (3020)**

Date	Cash Cycle (Days)	Receivables Days	Inventory Days	Payables Days
Mar-00	17.68	29.31	32.41	44.04
Jun-00	20.78	32.92	33.97	46.11
Sep-00	24.01	31.27	31.74	38.99
Dec-00	38.69	37.82	34.52	33.65
Mar-01	27.79	33.34	37.28	42.83
Jun-01	37.11	37.97	39.82	40.69
Sep-01	31.18	38.64	39.44	46.90
Dec-01	45.43	39.17	36.10	29.84
Mar-02	27.78	33.23	34.51	39.97
Jun-02	35.02	39.07	38.26	42.31
Sep-02	32.03	36.26	39.05	43.28
Dec-02	41.19	41.33	39.18	39.32
Mar-03	29.24	36.75	38.48	45.99
Jun-03	40.31	40.82	43.93	44.45
Sep-03	29.65	38.70	40.77	49.82
Dec-03	38.85	41.60	40.52	43.27
Mar-04	34.78	35.54	38.76	39.51
Jun-04	43.13	38.57	42.86	38.31
Sep-04	41.71	38.13	42.01	38.42
Dec-04	42.22	35.53	37.74	31.04
Mar-05	41.56	36.65	41.65	36.74
Jun-05	51.26	39.82	48.30	36.86
Sep-05	41.63	38.13	42.96	39.46
Dec-05	51.06	41.66	40.69	31.29
Mar-06	39.76	34.69	42.07	37.00
Jun-06	51.59	42.15	48.57	39.13
Sep-06	51.48	42.87	49.83	41.21
Dec-06	45.26	38.04	41.29	34.07
Mar-07	37.25	32.61	39.32	34.68
Jun-07	42.98	38.60	43.11	38.73
Sep-07	41.15	38.96	43.43	41.24
Dec-07	48.09	39.27	46.82	38.01
Mar-08	32.95	34.98	55.32	57.35
Jun-08	48.17	42.90	49.32	44.05
Sep-08	36.65	36.85	45.89	46.09
Dec-08	48.06	36.36	44.36	32.67

## Beverages (302010)

Exhibit 15: Median Free Cash Margin, 2000 – 2008, Beverages (302010)

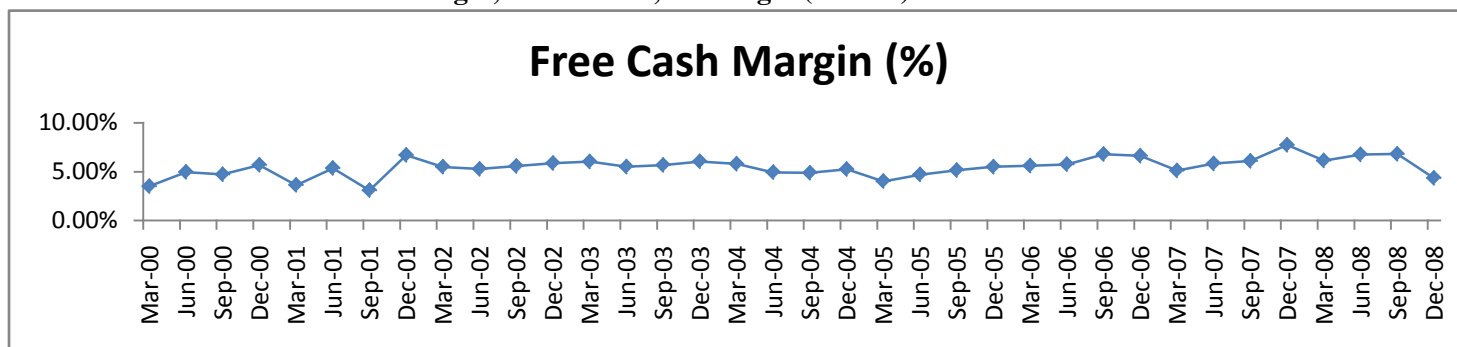


Table 5: 2000 – 2008, Beverages (302010)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Reported Cap. Ex. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	3.50%	8.16%	4.75%	3.31%	13.04%	1.52%	27.43	40,188,000
Jun-00	4.96%	9.63%	4.11%	3.52%	13.43%	1.52%	34.86	40,675,000
Sep-00	4.71%	9.27%	4.05%	3.71%	13.51%	1.52%	31.47	61,700,000
Dec-00	5.69%	9.96%	4.53%	4.91%	16.13%	1.52%	34.90	51,200,000
Mar-01	3.63%	9.18%	3.94%	3.10%	13.81%	1.90%	21.96	34,673,000
Jun-01	5.36%	10.45%	2.97%	3.63%	14.71%	1.90%	33.42	41,527,000
Sep-01	3.09%	9.23%	3.18%	3.60%	13.80%	1.95%	31.80	37,822,000
Dec-01	6.70%	11.22%	4.48%	4.62%	17.90%	0.62%	32.46	91,040,500
Mar-02	5.49%	8.65%	3.72%	3.83%	14.20%	1.20%	33.78	45,211,000
Jun-02	5.27%	9.62%	3.72%	3.91%	14.75%	0.96%	38.58	66,847,000
Sep-02	5.57%	9.25%	3.55%	4.24%	14.71%	1.20%	32.98	49,482,000
Dec-02	5.87%	11.00%	4.92%	4.64%	15.86%	1.12%	37.01	71,310,000
Mar-03	6.02%	10.37%	4.09%	4.43%	14.24%	1.33%	24.39	46,795,000
Jun-03	5.50%	9.62%	3.99%	4.13%	14.31%	1.35%	39.38	66,167,000
Sep-03	5.67%	9.95%	3.71%	4.60%	14.34%	1.57%	29.94	61,817,000
Dec-03	6.04%	10.31%	4.78%	5.42%	15.94%	1.22%	38.86	67,743,500
Mar-04	5.79%	9.58%	3.71%	5.76%	15.21%	1.54%	26.75	65,894,000
Jun-04	4.93%	11.25%	3.63%	6.27%	15.64%	1.54%	40.00	55,069,000
Sep-04	4.87%	10.52%	3.48%	5.48%	15.74%	1.54%	25.11	57,013,000
Dec-04	5.25%	11.47%	3.60%	6.21%	15.99%	1.77%	34.70	67,147,000
Mar-05	4.02%	8.93%	3.25%	4.65%	14.24%	1.85%	27.21	75,061,500
Jun-05	4.70%	10.05%	3.89%	5.22%	15.84%	1.62%	36.97	60,141,500
Sep-05	5.14%	9.48%	3.66%	4.79%	16.14%	1.62%	29.88	86,093,000
Dec-05	5.49%	11.34%	4.66%	5.84%	17.25%	2.07%	39.55	106,100,500
Mar-06	5.60%	10.13%	4.35%	4.69%	17.52%	2.06%	30.69	85,557,500
Jun-06	5.75%	12.70%	3.63%	6.16%	18.37%	2.13%	41.61	111,577,000
Sep-06	6.79%	10.29%	3.68%	5.84%	17.62%	2.11%	37.03	104,456,500
Dec-06	6.62%	12.90%	4.02%	6.37%	17.09%	1.60%	41.52	159,362,000
Mar-07	5.11%	11.39%	4.11%	6.95%	18.97%	1.79%	37.65	119,364,000
Jun-07	5.82%	13.03%	4.04%	7.24%	18.78%	1.79%	52.08	177,000,000
Sep-07	6.09%	10.49%	4.80%	6.86%	16.24%	1.79%	35.90	168,520,000
Dec-07	7.73%	12.21%	4.88%	7.31%	18.44%	1.65%	40.15	192,700,000
Mar-08	6.13%	11.83%	5.56%	7.48%	19.01%	1.70%	43.99	129,282,000
Jun-08	6.75%	11.82%	5.24%	7.10%	18.74%	1.44%	50.60	201,029,000
Sep-08	6.81%	12.61%	5.43%	7.39%	18.70%	1.52%	17.83	218,541,500
Dec-08	4.35%	9.49%	4.31%	3.37%	16.18%	1.78%	14.34	229,300,000

## Food Products (302020)

Exhibit 16: Median Free Cash Margin, 2000 – 2008, Food Products (302020)

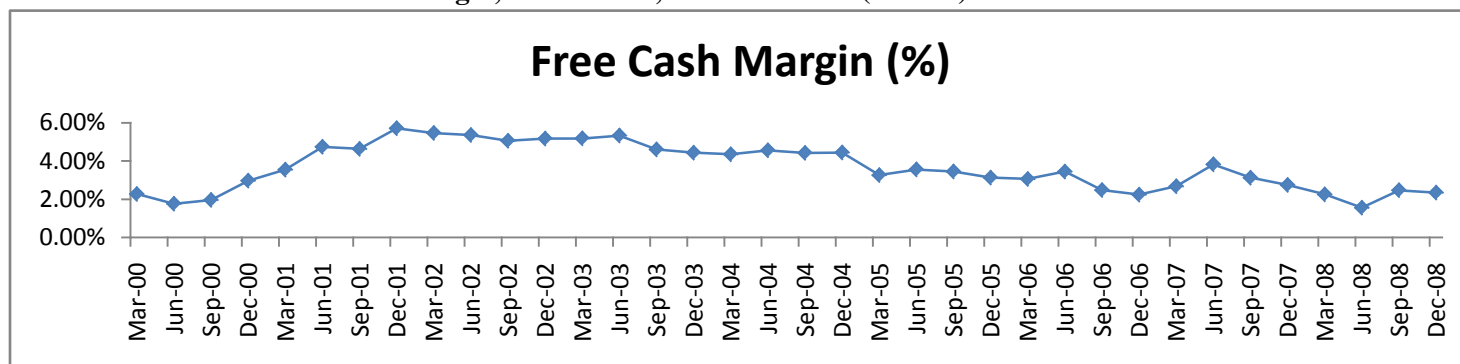


Table 6: 2000 – 2008, Food Products (302020)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Reported Cap. Ex. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	2.27%	6.73%	3.67%	4.45%	12.41%	1.40%	53.77	10,471,000
Jun-00	1.76%	5.47%	3.45%	3.92%	10.20%	1.67%	56.64	8,345,000
Sep-00	1.96%	5.29%	3.29%	3.78%	11.02%	1.48%	53.51	19,133,000
Dec-00	2.97%	6.16%	3.25%	3.11%	10.54%	1.40%	51.30	11,845,000
Mar-01	3.55%	7.17%	2.97%	3.26%	10.98%	1.48%	55.31	11,330,000
Jun-01	4.74%	7.66%	3.00%	3.74%	11.56%	1.48%	52.40	10,240,000
Sep-01	4.63%	7.34%	2.92%	3.86%	10.72%	1.41%	53.96	20,000,000
Dec-01	5.71%	8.93%	2.91%	4.02%	10.82%	1.27%	49.74	32,259,000
Mar-02	5.46%	9.39%	2.65%	4.11%	9.92%	1.42%	48.03	24,486,500
Jun-02	5.36%	8.37%	2.85%	4.03%	10.55%	1.28%	52.26	29,014,500
Sep-02	5.06%	8.90%	2.61%	4.04%	10.16%	1.48%	47.19	19,521,000
Dec-02	5.17%	9.30%	2.69%	4.51%	10.28%	1.16%	50.21	38,500,000
Mar-03	5.18%	9.02%	2.82%	4.47%	10.05%	1.18%	51.77	21,900,000
Jun-03	5.33%	8.53%	3.10%	4.68%	10.83%	1.32%	47.59	24,994,000
Sep-03	4.60%	7.77%	2.87%	4.47%	10.61%	1.30%	49.46	30,922,500
Dec-03	4.43%	8.24%	2.83%	5.26%	11.40%	1.39%	47.07	41,340,000
Mar-04	4.35%	7.50%	3.11%	5.05%	11.32%	1.54%	48.59	39,580,500
Jun-04	4.56%	8.67%	3.05%	5.31%	11.53%	1.78%	51.96	39,077,000
Sep-04	4.42%	7.01%	3.34%	4.92%	11.44%	1.74%	48.25	41,928,000
Dec-04	4.44%	8.03%	3.13%	4.79%	11.14%	1.38%	46.60	54,837,000
Mar-05	3.26%	6.74%	3.19%	4.72%	10.56%	1.66%	50.00	41,477,000
Jun-05	3.56%	6.97%	3.40%	4.29%	10.38%	1.55%	51.91	38,512,000
Sep-05	3.45%	6.97%	3.26%	3.89%	10.40%	1.42%	51.90	46,117,000
Dec-05	3.13%	7.37%	3.39%	4.29%	11.07%	1.43%	48.24	45,000,000
Mar-06	3.06%	6.82%	3.55%	3.55%	10.44%	1.44%	49.92	36,604,500
Jun-06	3.44%	7.04%	3.02%	4.07%	10.01%	1.42%	48.31	40,055,000
Sep-06	2.48%	7.12%	3.10%	3.75%	10.19%	1.25%	49.18	39,700,000
Dec-06	2.24%	6.22%	3.59%	4.06%	11.20%	1.16%	46.49	51,038,500
Mar-07	2.68%	6.99%	3.57%	3.83%	10.82%	1.32%	43.88	41,158,000
Jun-07	3.82%	7.77%	3.52%	4.71%	11.18%	1.64%	45.14	40,469,000
Sep-07	3.12%	6.56%	3.60%	4.78%	11.30%	1.57%	47.37	45,365,000
Dec-07	2.75%	6.79%	3.63%	5.12%	11.75%	1.86%	46.23	47,831,000
Mar-08	2.25%	6.46%	3.49%	4.83%	11.38%	1.80%	44.70	58,963,000
Jun-08	1.56%	6.02%	3.46%	4.29%	10.94%	1.72%	48.45	47,164,500
Sep-08	2.47%	5.39%	3.15%	3.51%	10.36%	1.38%	46.27	59,530,000
Dec-08	2.34%	5.46%	3.09%	3.66%	10.64%	0.99%	43.41	43,187,500



## Tobacco (302030)

Exhibit 16: Median Free Cash Margin, 2000 – 2008, Tobacco (302030)

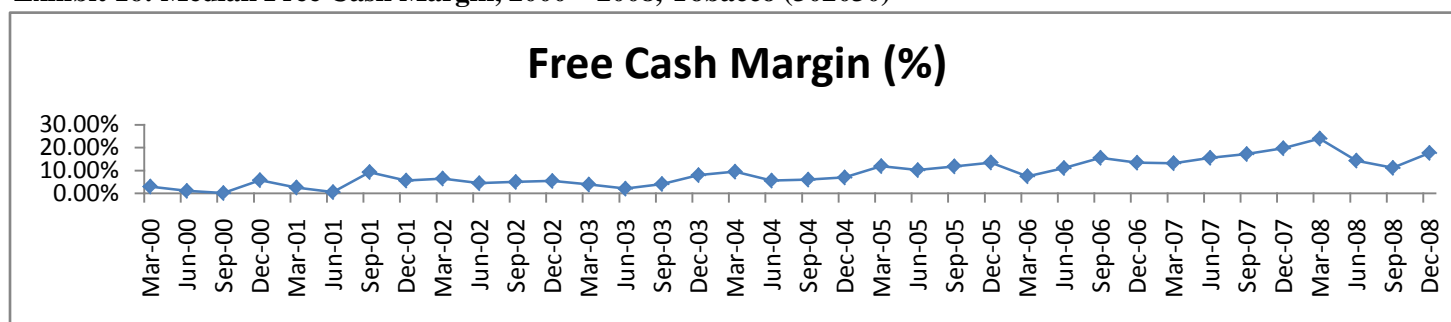


Table 6: 2000 – 2008, Tobacco (302030)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Reported Cap. Ex. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	2.99%	13.25%	1.75%	13.47%	20.48%	4.83%	47.15	913,749,500
Jun-00	1.09%	9.28%	1.74%	8.85%	20.31%	4.83%	36.86	729,901,000
Sep-00	0.15%	3.69%	2.71%	13.20%	19.32%	2.68%	33.43	710,000,000
Dec-00	5.77%	7.04%	2.66%	7.20%	14.24%	3.78%	34.31	937,000,000
Mar-01	2.57%	2.70%	5.39%	10.38%	16.50%	4.94%	41.52	287,324,000
Jun-01	0.55%	5.50%	3.94%	10.73%	18.58%	4.94%	55.69	320,232,000
Sep-01	9.32%	10.16%	0.84%	8.55%	20.69%	3.78%	76.01	459,000,000
Dec-01	5.60%	7.29%	1.83%	4.13%	12.45%	1.64%	48.57	453,000,000
Mar-02	6.49%	7.42%	1.06%	5.91%	16.45%	1.64%	42.02	350,264,000
Jun-02	4.44%	5.52%	2.68%	6.88%	16.66%	1.64%	42.01	285,419,000
Sep-02	4.99%	6.15%	2.45%	9.65%	20.99%	1.54%	56.53	354,811,000
Dec-02	5.42%	7.52%	1.97%	5.83%	15.87%	0.51%	49.48	396,728,500
Mar-03	3.87%	5.56%	1.69%	5.45%	17.84%	1.01%	45.56	194,146,000
Jun-03	2.06%	2.42%	2.79%	3.21%	11.07%	1.73%	70.68	39,310,000
Sep-03	4.11%	8.57%	2.48%	1.14%	13.18%	1.37%	102.51	150,983,000
Dec-03	7.98%	9.62%	1.73%	1.01%	11.29%	1.16%	71.89	136,001,000
Mar-04	9.49%	10.86%	2.04%	0.59%	17.78%	1.73%	79.02	126,480,000
Jun-04	5.59%	6.65%	1.83%	1.71%	18.64%	1.73%	81.14	99,428,000
Sep-04	6.01%	7.53%	1.65%	3.35%	24.43%	1.16%	108.56	122,180,000
Dec-04	6.97%	8.17%	1.47%	3.44%	15.93%	1.24%	79.27	97,727,000
Mar-05	11.92%	13.31%	1.39%	2.93%	23.61%	0.74%	80.26	58,625,000
Jun-05	10.17%	11.48%	1.31%	11.19%	23.93%	0.74%	72.51	183,170,000
Sep-05	11.81%	14.15%	1.71%	11.17%	24.46%	0.64%	98.83	149,299,000
Dec-05	13.50%	15.73%	2.24%	13.45%	25.82%	1.30%	85.83	124,339,000
Mar-06	7.49%	10.11%	1.55%	12.67%	23.34%	2.21%	83.36	66,632,000
Jun-06	11.07%	12.60%	1.37%	11.08%	25.81%	2.21%	108.13	93,518,000
Sep-06	15.55%	17.15%	1.23%	14.09%	32.84%	1.35%	110.03	258,167,000
Dec-06	13.41%	15.60%	1.05%	13.11%	27.53%	1.35%	75.72	193,083,500
Mar-07	13.20%	14.77%	0.94%	14.58%	27.34%	2.73%	78.07	185,878,000
Jun-07	15.54%	17.33%	1.10%	13.81%	26.19%	2.73%	57.68	176,999,000
Sep-07	17.19%	19.49%	1.14%	13.60%	25.63%	1.71%	78.11	332,592,000
Dec-07	19.73%	21.01%	1.37%	19.47%	33.63%	1.71%	91.16	393,134,500
Mar-08	23.96%	27.49%	1.68%	16.83%	31.08%	2.28%	117.54	264,567,000
Jun-08	14.32%	16.78%	1.28%	17.08%	33.83%	3.64%	118.67	336,153,000
Sep-08	11.15%	12.79%	1.56%	15.65%	31.50%	2.28%	81.35	915,000,000
Dec-08	17.69%	19.08%	1.26%	15.18%	31.28%	2.28%	82.28	1,143,017,000