HYSTER NATIONAL ACCOUNTS

Hyster Food & Beverage Industry News

Industry Headlines

Coca-Cola to introduce plant-based bottles – Coca-Cola Co. is introducing a new plastic bottle partially made from plants, becoming the latest drink maker to try to make more eco-friendly packaging as consumers become more concerned about waste generated by plastic bottles. The Atlanta-based world's biggest drink maker said Thursday it will start using the so-called "PlantBottle" with its water brand, Dasani, and certain sparkling brands in select North American markets later this year. The company's vitaminwater franchise will be added in 2010.

The bottles are made from a blend of petroleum-based materials and up to 30 percent plant-based materials. They are fully recyclable and will be identified with messages on the packages and in stores.

Coca-Cola said the bottles are currently made through a process that turns sugar cane and molasses into a component for polyethylene terephthalate or PET plastic, though it is exploring using other plants.

The major drink makers are trying to make their bottles more ecofriendly. In March, PepsiCo Inc. said it would start selling Aquafina in a lighter bottle to lessen the amount of plastic used. Nestle Waters North

America also sells a lighter version of its Ozarka brand in certain states.

Last June, mayors of 250 U.S. cities voted to stop using taxpayer money to buy bottled water and restaurants, college campuses, and even certain state governments are considering or have made moves to lessen their use.

Sysco's 1Q Profit Dips; Cuts Capex Outlook – Sysco reported a 6% reduction in third-quarter net income, as revenues were affected by the increasingly difficult market environment.

However, earnings per share of 38 cents matched the consensus as the distributor of food products reduced operating expenses by slashing both headcount and incentives.

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Industry Headlines

Pepsi Bottler Forms Partnership in Central America – PepsiAmericas Inc., the second-biggest Pepsi bottler, said it created a joint venture with the Central America Beverage Corp. to grow in the region.

The move comes as PepsiAmericas, along with the bigger Pepsi Bottling Group, is publicly fighting a proposed takeover by PepsiCo Inc. Purchase, N.Y.-based PepsiCo is the second-biggest drinks seller in the world after the Coca-Cola Co.

The PepsiAmericas joint venture will focus on the Caribbean, Guatemala, Honduras, El Salvador and Nicaragua. PepsiAmericas will own 18 percent of the joint venture, with the rest owned by the Central American Beverage Corp. The boards of the two companies have approved the terms of the deal, which were not disclosed.

The deal is expected to close in the third quarter once it receives regulatory approval.

MillerCoors 1Q Profit Rises on Higher Prices – Molson Coors Brewing Co. and SABMiller PLC said Tuesday that the first-quarter profit for their U.S. joint venture MillerCoors LLC rose 51 percent as sales of Coors Light and other brands were helped by higher prices and fewer promotions.

MillerCoors, the nation's second-largest beer company, said it earned $206 million for the period ended March 31 compared with year-ago pro forma profit of $136.6 million. Revenue for MillerCoors grew 4 percent to $1.72 billion from $1.65 billion.

The maker of Coors Light and Miller Lite said sales to domestic retailers edged up 0.4 percent on improved sales of Coors Light, Keystone Light and other brands.

MillerCoors was created last summer as Molson Coors and SABMiller looked for ways to trim costs and better compete against leader Anheuser-Busch, which later sold itself to Belgium-based InBev.

MillerCoors has saved $78.4 million since July 1, 2008, ahead of the $50 million in savings anticipated for its first year of operations. The joint venture is expected to save $128 million by June 30. Molson Coors and SABMiller predict MillerCoors will save $238 million in 2009, exceeding their initial savings forecast of $225 million.

Kraft Foods 1Q Profit Rises 10 Percent – Kraft Foods Inc. said Tuesday its first-quarter profit rose 10 percent even as sales took a hit from the stronger dollar. The maker of Velveeta, Oreo cookies and Maxwell House coffee says it plans to focus on its core products, where it can make the most money, to emerge from the recession even stronger.

Chief Executive Irene Rosenfeld said the nation's largest food and beverage maker is cutting unprofitable product lines as it looks to sell more of its higher-margin products, like Kool-Aid and macaroni and cheese.

Kraft said sales of top brands like Oreo cookies and macaroni and cheese grew by double-digit percentages in the quarter. Rosenfeld said consumers consider those brands and others like Jell-O and Kool-Aid, to be a good value, so sales are strong.

But categories like cheese and snacks, which includes other cookies and nuts, saw volume and mix drops.

Kraft said it earned $660 million or 45 cents per share in the three-month period ending in March. That compares to a profit of $599 million, or 39 cents per share, a year earlier, when results were dampened by $98 million in restructuring costs.

The earnings beat analyst predictions for a profit of 40 cents a share, according to Thomson Reuters. But revenue fell short of analysts' expectation for $9.67 billion.

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Hormel

Hyster Company is continuing it's partnership with Hormel. 2009 purchase orders are beginning to be processed. Raymond and Toyota are trying to gain access to Hormel. We need to work together to ensure that we remain Hormel's #1 option.

One area of concern with Hormel is deliveries. We are trying to work in a proactive manner regarding deliveries, and we ask that we work together to get the trucks prepped and delivered as quickly as possible. Hormel is monitoring our accuracy regarding deliveries.

Please contact Brett Stone for all Hormel related questions.

Kroger

As you know, Kroger is a target account for all of us. We have been actively working with then with demo units and even some recent sales. They currently purchase Crown trucks, but have expressed displeasure with them. Crown has caught word of this, and they (along with Raymond) are actively trying to re-gain the competitive edge.

Kroger will be issuing a RFP in late Q3 of 2009. We have been promoting our energy efficiency versus the competition. They have been testing our energy efficiency combined with our productivity. It is our expectation that the Hyster team (National Accounts and the dealer body) will be awarded business for their DCs and their retail stores.

We cannot rest, but rather work hard while the opportunity exists.

Please contact Peggy Banks for all Kroger related questions.

Dawn Foods

Hyster Company was awarded a PO for 4 trucks in Seattle, WA. This is important for we (Hyster Company and Pape) took this Class II business from Raymond. The decision was made locally; therefore, Pape's presence was vital to the success of the order. The purchase decision is decentralized. Please reach out to your local facility.

Please contact Sandy Shaffer for all Dawn Foods related questions.

SUPERVALU

The team effort of Arnold Machinery and Hyster Company resulted in (4) N35ZDR trucks last year. This purchase was followed by another 4 units in 2009. This is a clear indication that corporate is open to allowing their local facilities to purchase Hyster units. Although the PO is issued from corporate, they do allow the local site to have input. A RFP is coming in the near future, and we will continue to work with the corporate champion to ensure that we gain visibility to their distribution centers.

Please contact Mark Hoch for all SUPERVALU questions.

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