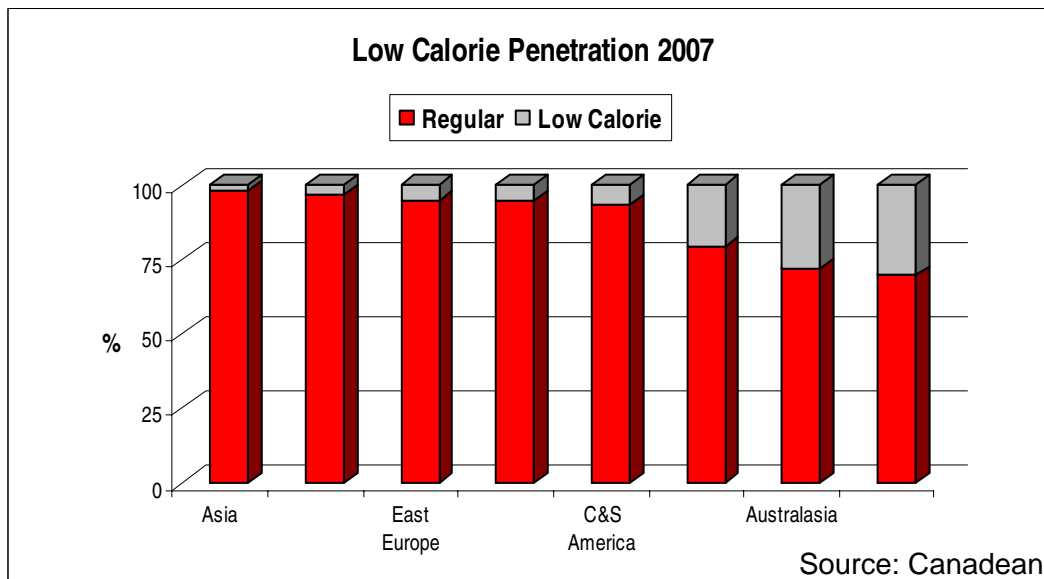


**NEWS from Canadean**

**200 Billion Litres Reached for Carbonates**

Canadean’s recently published Global Carbonates report, announces that the demand for carbonated soft drinks is poised to cross the 200 billion litre mark in 2007. The news that the global market grew by 2.3% in 2006 and that Carbonates have maintained their status as the leading soft drink category ahead of bottled waters will be welcome news for stakeholders in the fizzy drink world. However the news is not all good and the modest compound annual growth rate of 2.1% between 2001 and 2007 reflects the increasing maturity of the category in developed parts of the world.



Between them, North America and West Europe accounted for 44% of carbonates sales in 2006, but Canadean consultants in both regions are reporting a slowdown and even decline in the markets that make up these regions. Competition with other categories and the widening debate over obesity are impacting the long term prospects for carbonates. The role of the diet or light segment is becoming increasingly important in making the category relevant to modern consumer needs and the success of these

products will ultimately be influential on the future development of the category. Between 2005 and 2007, of the 10.3 billion litres added to the category, 2.4 billion litres will come from low calorie drinks.

The diet segment has come a long way since the first low calorie drink was believed to have been marketed in 1952. Today, globally, these products make up 14.5% of all carbonates sold globally but in Western Europe more than 1 in every 5 litres sold is a low calorie product while in North America they register more than 30% share. These figures contrast starkly with developing markets such as East Europe where they make up just 1 in 20 litres of carbonates sold and Asia where they make up as little as 1 in every 50 litres.

Nevertheless, in these regions, the total carbonates category is on the increase. Between 2001 and 2006, East Europe added as much as 5 billion litres, helped in part by Russian consumers, who were responsible for an extra 2 billion litres. With per capita levels at less than 50 litres, you can conclude that there remains plenty of potential growth in the region. As with East Europe, one market is an important contributory factor to booming Asian demand; China has seen its volumes increase by two thirds between 2001 and 2006. However with per capita consumption of 7 litres, China is still inferior to many other countries in Asia and further expansion is almost inevitable.

The progress of the developing markets will compensate for the sluggish performance of the developed world, but the threat from other categories will continue to eat into the carbonates share; inevitably increased choice will lead to a lessening reliance on carbonates for refreshment. The big carbonates players on the world stage have as a result re-aligned their strategies and are increasingly well placed to benefit from the shift to other categories.

For further information please contact Debra Richards on Tel: +44 (0) 1256 394227, email: [debra.richards@canadean.com](mailto:debra.richards@canadean.com) or visit [www.canadean.com](http://www.canadean.com)

Words: 568 (plain text)



Date: 9 January 2008

Issued by the Corporate Marketing Department of Canadean Ltd, the leading global beverage research company.

Canadean Ltd  
12 Faraday Court  
Rankine Road  
Basingstoke  
RG24 8PF  
England

Tel: +44 (0) 1256 394210  
Fax: +44 (0) 1256 394201  
Email: [sales@canadean.com](mailto:sales@canadean.com)  
Website: [www.canadean.com](http://www.canadean.com)