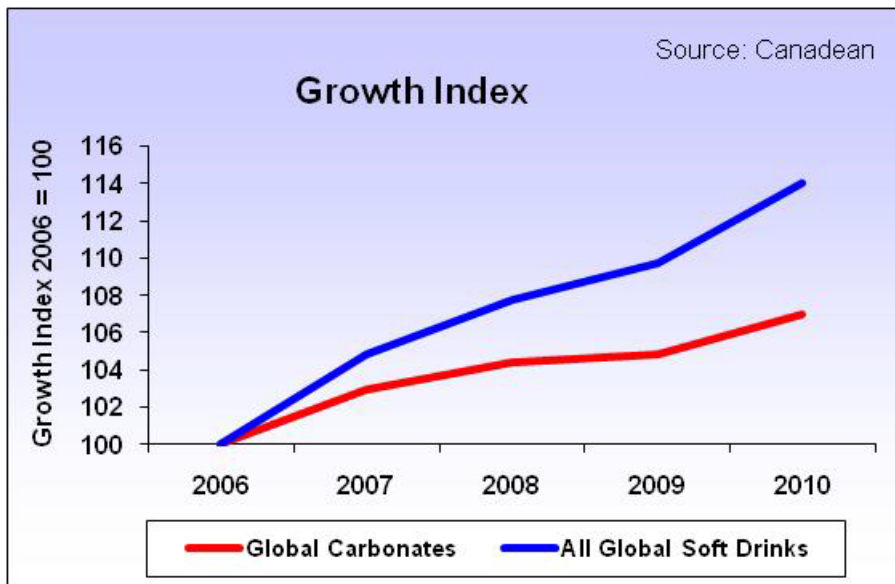


NEWS from Canadean

Carbonates Set To Bounce Back In 2010

The global market for carbonated soft drinks saw its growth rate halve in 2008, dropping from 3% in 2007 to 1.4% but Canadean research consultants are forecasting better times ahead and they expect the market growth rate to accelerate next year as the world puts its economic woes behind it. In the meantime, 2009 will see growth slow significantly as the world enters the eye of the global financial storm, according to Canadean’s recently published Global Carbonates Report.

Despite the slowdown, carbonates remains King of the soft drinks sector and account for nearly 4 in every 10 litres of soft drinks consumed around the world. Worldwide per capita in 2008 now stands at 31 litres per person, ranging from 11 litres in the Rest of Africa to as high as 157 litres in what many consider the global headquarters of the category, North America. In the parts of the developed world where per capita is high, the market has reached maturity and it will be the developing world that is the source of most of the future rises.



North America may remain unchallenged as the leading per capita market but in terms of volume, 2008 was the year that the region, with more than a quarter of world sales, was dethroned as the leading market. Latin America now holds that crown and with North American sales expected to shrink by nearly 6% between the end of 2008 and 2012, then the gap is set to widen further. During the same period, Latin America is set to expand by 9% which equates to nearly 5 billion litres.

Asia too will play an important role in the future development of the carbonates category and is expected to contribute an extra 9 billion litres to the category in the next five years - Canadean's Asian team expect the carbonates market in their region to expand by nearly a third. The Middle East & North Africa will not be far behind with growth of almost 30%. Of the other developing parts of the globe, East Europe appears to be set for a more prolonged period of correction and is only expected to return to growth in 2011.

The reliance on the developing world to expand the category is reflected in the fact that the low calorie segment is set to lose share to the regular segment in 2009. In less affluent markets, the sugar debate is less relevant and the demand for 'light' or 'diet' drinks is minimal. In more developed markets, the issue of obesity has had a high profile and the low calorie segment has played an important part in maintaining demand. Today low calorie drinks make up 15% of total volume.

Stakeholders in the carbonates category will be reassured that the slow performance of the developed world will be more than compensated for by the buoyant demand of the developing world. They will however have to accept that they will have to concede something on price; according to Canadean's Wisdom database, in North America a litre of carbonates is sold for an average of \$1.72 while in neighbouring South America the same litre will trade for \$1.12.

Canadean's **Global Carbonates Report** is part of a series of global soft drinks reports on eight separate categories. It is compiled using Canadean's extensive global soft

drinks databases, contains current and forecast data and can be purchased in total or by section. For more information on this product please contact Debra Richards on tel: +44 (0) 1256 394 227, email soft@canadean.com or visit www.canadean.com.

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Editor's Note:

Canadean is the beverage industry information specialist, providing market research, reports, databases and consulting on the global beverage and beverage packaging industries.

With headquarters in the UK and regional offices around the world, Canadean has built a reputation as the benchmark for global beverage market intelligence. Local operations are now based in Madrid, Buenos Aires, Mexico City, Hong Kong, Beijing, Shanghai and Sydney.

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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
Website: www.canadean.com**