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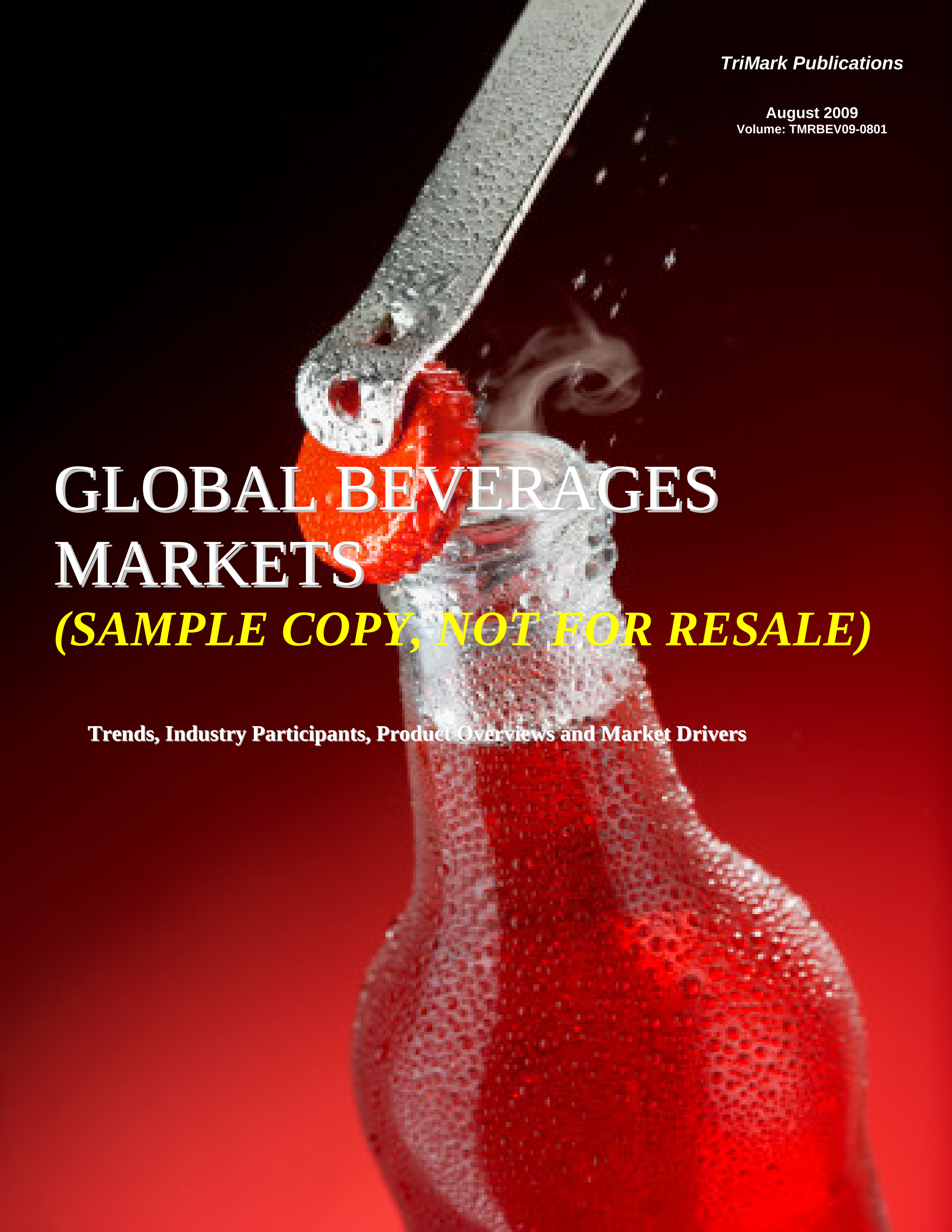

GLOBAL BEVERAGES MARKETS

(SAMPLE COPY, NOT FOR RESALE)

Trends, Industry Participants, Product Overviews and Market Drivers

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1. Introduction

Until recently, the beverages market was divided simply between alcoholic and non-alcoholic beverages. As consumers' tastes grew more sophisticated and demand surged for a variety of beverage options catering to lifestyle changes and health concerns, the beverages industry has responded with a dizzying array of options to choose from. This report focuses on the U.S. and world markets for beverages across several broad categories. For the purposes of this study, TriMark Publications has divided the global beverages markets into the following product segments include:

- Alcoholic beverages such as wines, beers and spirits.
- Non-alcoholic beverages such as bottled water and milk.
- Brewed beverages such as coffees and teas.
- Carbonated beverages such as sodas and soft drinks.
- Non-carbonated juice products both fresh and pre-packaged.
- Energy drinks which are generally caffeinated beverages in both carbonated and non-carbonated forms.

For each market segment, this study presents the latest information on size, growth rates, sales projections and factors influencing growth in the U.S. and internationally.

1.1 Objectives

The main objectives of this study are to describe the structure of global beverages markets, provide information on the current size and projected growth of the global market and identify market opportunities for beverages manufacturers across various product categories. The report covers extensive details on the consumer demand for different types of beverages across several international markets.

1.2 Scope

This study provides a comprehensive examination of the various product categories of beverages around the world. Analysis includes sales data, growth rates and market share statistics for the major manufacturers serving international markets. The reader should consult other TriMark Publications reports at http://www.trimarkpublications.com for details on individual market segments.

1.3 Methodology

The author holds a PhD and is a retired college professor with three decades of experience in teaching biochemistry, biotechnology, pharmacology, environmental biology and horticulture. Company-specific information is obtained mainly from industry trade publications, academic journals, news and research articles, press releases and corporate websites, as well as annual reports for publicly-held firms. Additionally, sources of information include the Beverage Marketing Corporation, data published by the USDA Foreign Agricultural Services, publications from Food and Agricultural Organization (FAO), World Trade Atlas and other regional publications. Where possible and practicable, the most recent data available have been used.

Some of the statistical information was taken from Biotechnology Associates' databases and from TriMark's private data stores. The information in this study was obtained from sources that we believe to be reliable, but we do not guarantee the accuracy, adequacy or completeness of any information or omission or for the results obtained by the use of such information. Key information from the business literature was used as a basis to conduct dialogue with and obtain expert opinion from market professionals regarding commercial potential and market sizes. Senior managers from major company players were interviewed for part of the information in this report.

Primary Sources

TriMark collects information from hundreds of Database Tables and many comprehensive multi-client research projects, as well as Sector Snapshots that we publish annually. We extract relevant data and analytics from TriMark's research as part of this data collection.

Secondary Sources

TriMark uses research publications, journals, magazines, newspapers, newsletters, industry reports, investment research reports, trade and industry association reports, government-affiliated trade releases and other published information as part of its secondary research materials. The information is then analyzed and translated by the Industry Research Group into a TriMark study. The Editorial Group reviews the complete package with product and market forecasts, critical industry trends, threats and opportunities, competitive strategies and market share determinations.

TriMark Publications Report, Research and Data Acquisition Structure

The general sequence of research and analysis activity prior to the publication of every report in TriMark Publications includes the following items:

- Completing an extensive secondary research effort on an important market sector, including gathering all relevant information from corporate reporting, publicly-available data and proprietary databases.

- Formulating a study outline with the assigned writer, including important items, as follows:

    - Market and product segment grouping, and evaluating their relative significance.
    - Key competitors' evaluations, including their relative positions in the business and other relevant facts to prioritize diligence levels and assist in designing a primary research strategy.
    - End-user research to evaluate analytical significance in market estimation.
    - Supply chain research and analysis to identify any factors affecting the market.
    - New technology platforms and cutting-edge applications.

- Identifying the key technology and market trends that drive or affect these markets.

- Assessing the regional significance for each product and market segment for proper emphasis of further regional/national primary and secondary research.

- Completing a confirmatory primary research assessment of the report's findings with the assistance of expert panel partners from the industry being analyzed.

1.4 Executive Summary

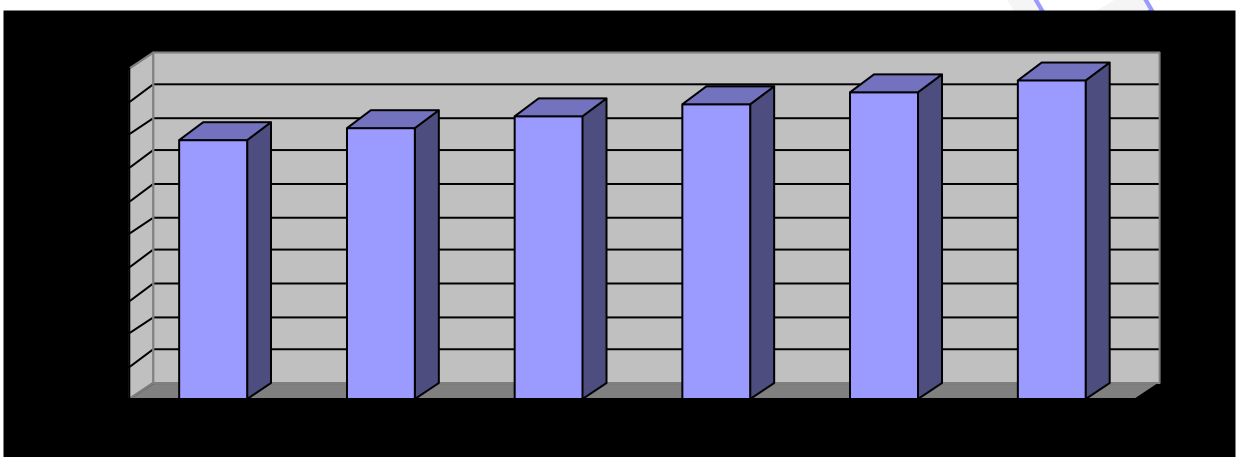
The lifestyle and functional associations connected with beverage products seem to lend them universal appeal. Overall, consumers seem to be looking for "value-added" beverages—whether they be energy drinks, chilled tea-flavored brews, vitamin-infused bottled water, etc.—that offer something more than refreshment. At the same time, all commercial beverages have tremendous growth potential on a global basis. According to Beverage Marketing Corporation, in the U.S. [redacted]% of beverage consumption is accounted for by branded products; in the rest of the world, only about [redacted]% of liquid consumption comes from commercial products. As markets such as China, India and Indonesia become more urbanized, there is a tremendous opportunity for volume growth for all beverage categories. However, with the current global economic slowdown, the outlook for some drinks categories may not be as bright. Value-added drinks are some of the first to feel the squeeze during this downturn as their phenomenal growth over [redacted] witnessed a slowdown in [redacted]. The "health and wellness" craze that prompted this growth may encourage consumers to accommodate these purchases or search for less expensive alternatives. Despite the global economic downturn, the Asian beverage market remains strong, and will continue its impressive growth. According to Reuters and Euromonitor, the Asian beer market is the most robust, with average growth of about [redacted]%. Leading the way is China, with per capita consumption expected to rise from [redacted] liters to [redacted] liters by [redacted]. Overall, the global alcoholic drinks market grew by [redacted]% in [redacted] to reach a value of $[redacted]. In [redacted], the market is forecast to have a value of $[redacted], an increase of [redacted]% since [redacted]. The market grew by [redacted]% in [redacted] to reach a volume of [redacted] liters. In [redacted], the market is forecast to have a volume of [redacted] liters, an increase of [redacted]% since [redacted]. Sales of beers, cider and fermented alcoholic beverages (FABs) account for [redacted]% of the global market's value.

2. Global Outlook

2.1 Soft Drinks

Soft drinks worldwide continue to forge new growth opportunities. Bottled water, dilutables/concentrates, carbonates, fruit juice/nectars, and still drinks have had mixed fortunes across the globe. However, as a combined category, soft drinks overall do remain a sustainable growth proposition, achieving a [redacted]% volume growth to reach nearly [redacted] liters in [redacted]. This is translated into global soft drinks consumption of [redacted] liters per person. The global soft drinks market is estimated to reach a value of around $[redacted] by the end of [redacted]. By [redacted], it is forecast to be at least $[redacted]. Between [redacted] and [redacted], the compound annual growth rate (CAGR) of global five soft drinks (FSD) value sales will increase from [redacted]% ([redacted]-[redacted]) to [redacted]% ([redacted]-[redacted]). By [redacted], the global value of FSDs will be $[redacted].

Figure 2.1: Estimated Global Soft Drinks Market, 2009-2014

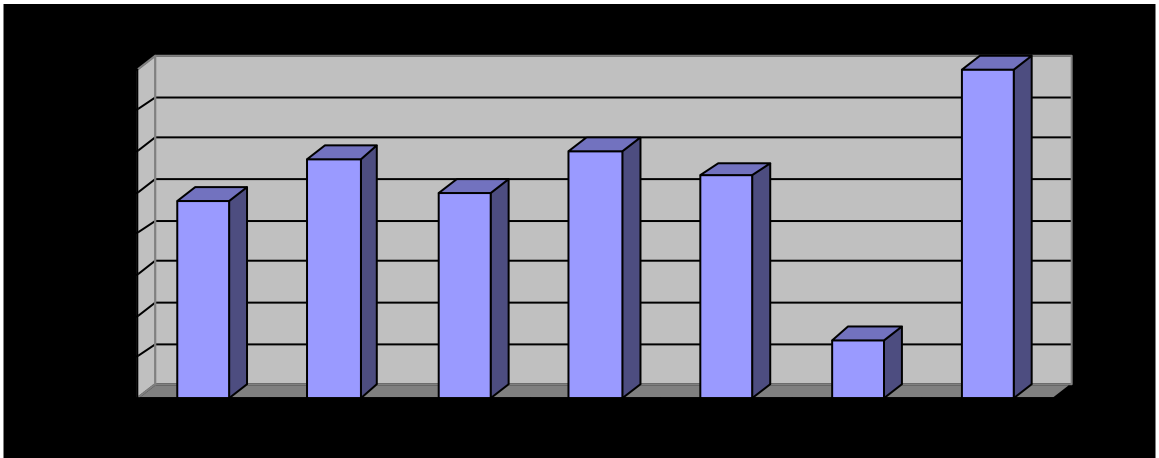


Source: British Soft Drinks Association

Globally, still drinks, the beverages with less than [redacted]% juice content, were the fastest growing soft drinks sector up [redacted]% in [redacted]. Bottled water also continued to record good volume increases, with consumption rising by [redacted]% in [redacted]. Fruit juice/nectars advanced by [redacted]%, followed by carbonates and dilutables achieving [redacted]% growth. At [redacted] liters per head in [redacted], the U.K. was ranked [redacted] globally in terms of soft drinks consumption per person. The U.S. remains the world's largest per capita consumer of soft drinks, with [redacted] liters. The U.A.E., boosted by scorching summer temperatures and an influx of tourism is the world's largest per capita consumer of bottled water at [redacted] liters.

- The U.K is ranked [redacted] globally in terms of bottled water consumption per capita.
- With around [redacted] liters per person, the U.S. is the world's largest consumer of carbonates followed by Mexico.
- The U.K. is ranked [redacted] with [redacted] liters, down from the No. [redacted] position held in [redacted] but still ahead of the European average of [redacted] liters per head.
- At [redacted] liters per head of consumed dilutables volume, the U.K. is significantly larger than the European average of [redacted] liters.
- [redacted]% juice has been combined with [redacted]% to [redacted]% juice drinks and nectars for a global comparison of fruit juice and nectars. Here, the U.K. was placed [redacted].
- To synchronize global comparisons, [redacted]% to [redacted]% juice drinks and nectars have been excluded from the still drinks total. In this category, Japan, the Czech Republic and the U.S. claim the top three positions. The U.K. is ranked [redacted].

Figure 2.2: Soft Drinks Consumption Per Capita by Country, 2007

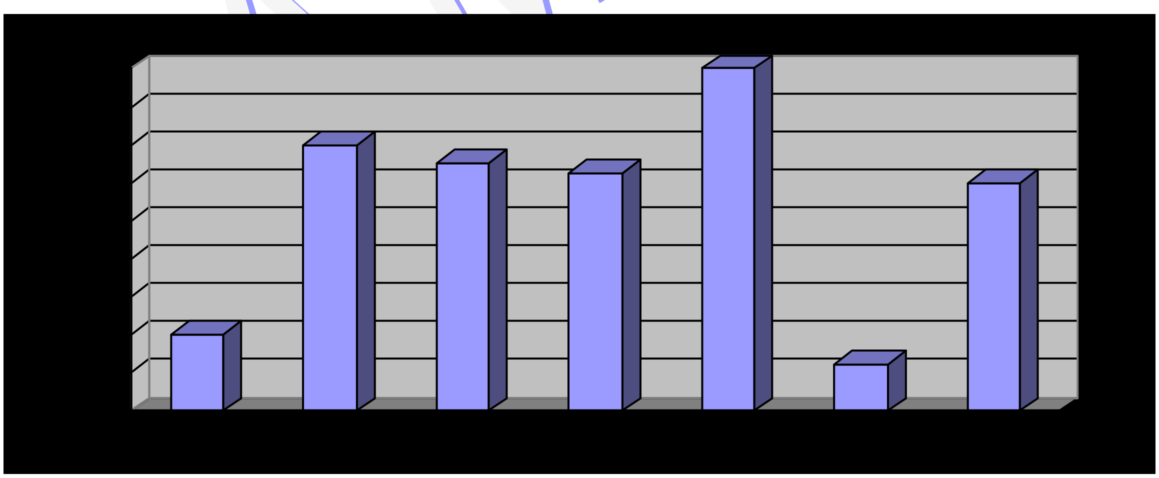


Source: British Soft Drinks Association

2.2 Bottled Water

Worldwide bottled water consumption increased by [redacted]% to [redacted] liters in [redacted]. In fact, between [redacted] and [redacted], the bottled water industry sector enjoyed a CAGR of [redacted]%. The [redacted] global bottled water market recorded select trends. For example, in Africa and Eastern Europe, consumption increased by [redacted]% and [redacted]%, respectively. Bottled water market in Asia and Australia increased by [redacted]% and the European market showed a slight decline of [redacted]%.

Figure 2.3: Bottled Water Consumption Per Capita by Country, 2007

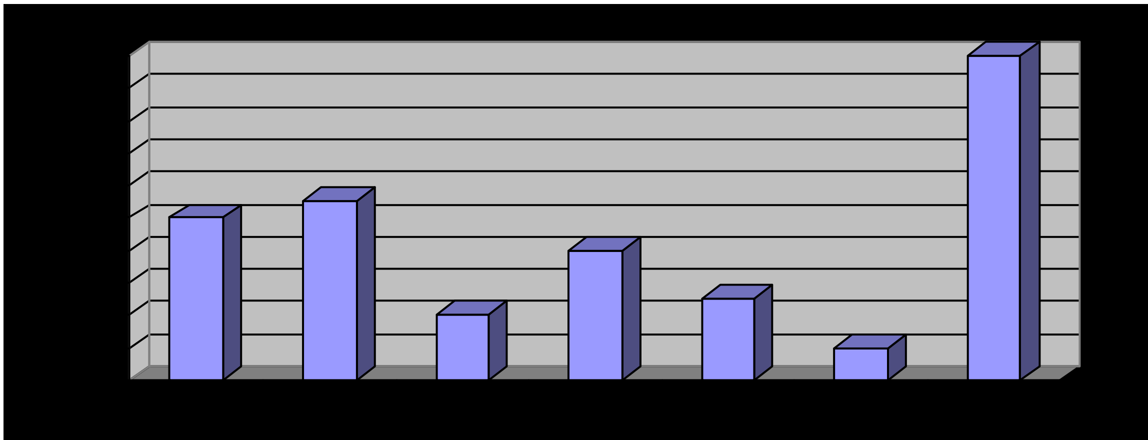


Source: British Soft Drinks Association

2.3 Carbonates

It is predicted that there will be a volume growth of between [redacted]% and [redacted]% for the global carbonates category despite the worsening economic climate. The deterioration in financial conditions has inevitably prompted most analysts to downgrade earlier projections by around [redacted]% and the global beverage experts expected the market to reach [redacted] liters by [redacted], a figure that equates to [redacted] liters per year for every global consumer. The year [redacted] will see a similar growth rate to [redacted], before the green shoots of recovery are expected to become evident in [redacted] with a slight acceleration in growth to a little over [redacted]%.

Figure 2.4: Carbonate Consumption Per Capita by Country, 2007

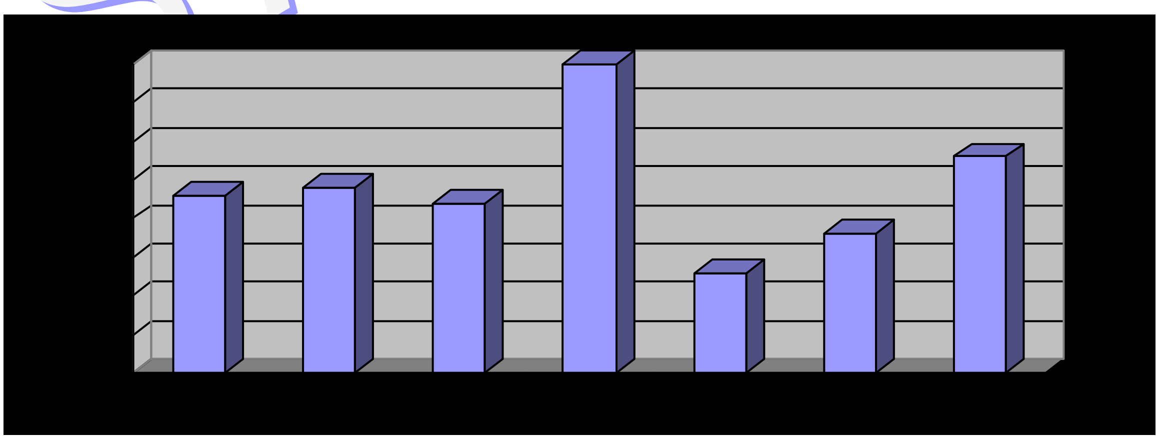


Source: British Soft Drinks Association

2.4 Fruit Juices

The global fruit juice/nectar market is dominated by six multinational companies; PepsiCo, Coca-Cola, Cadbury Schweppes plc, Del Monte Food, Inc., Nestle SA and Kraft Foods, Inc. Their marketing strategies appear to be influenced by growing consumer demand for healthy juices, with the majority of recent product launches focusing primarily on being healthy, low calorie and fortified with vitamins. The juices market consists of [redacted]% fruit juice (from concentrate), [redacted]% fruit juice (not from concentrate), nectar ([redacted]% to [redacted]% juice), fruit drink ([redacted]% to [redacted]% juice) and vegetable juice.

Figure 2.5: Fruit Juice/Nectars Consumption per Person by Country, 2007



Source: British Soft Drinks Association