

## Special Issue: Top-10 CSD Results for 2009.

### Category Down 5th Straight Year. DPS Gains. Coke and PepsiCo Down. Brand Pepsi and Diet Coke in Virtual Tie. In Top-10 Brands, Diet Mt. Dew and Diet Dr Pepper Grow.

The volume of the U.S. CSD business declined -2.1% in 2009, to a total of about 9.4 bil cases. That is somewhat better than the -3% decline in 2008. The CSD category in the U.S. last grew in 2004. It was down -2.3% in 2007. With the volume declines of the last five years, the category's volume is back down to about where it was in 1996, eliminating years of growth. As shown by the left chart on page 2, the CSD industry has moved from roughly +3% growth in the 1990's to varying rates of decline. BD's CSD data includes carbonated energy drinks.

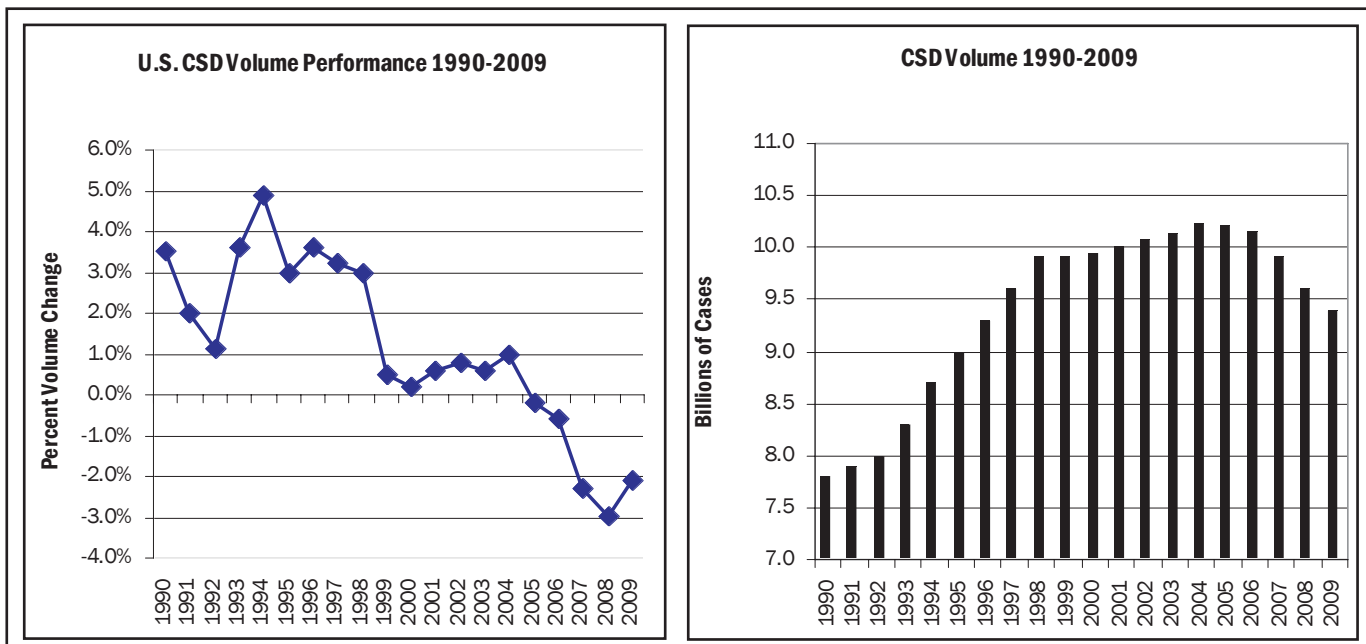
**Top-10 Brands.** Regular Pepsi and Diet Coke moved into a virtual tie, each with a 9.9 share. BD's data shows Pepsi with about 100,000 more cases than Diet Coke, but that incorporates some numerical rounding, so they are essentially tied, as the 100,000 case difference amounts to 0.001%. Only two top-10 brands posted growth, and they turned in very similar results. Diet Mt. Dew was up +4.5%; Diet Dr Pepper was up +4.8%. Diet Mt. Dew moved ahead of Fanta into the #8 spot. The two big colas – Coke and Pepsi – continued to deteriorate, with Coke down -4% and

### Top-10 CSD Companies and Brands for 2009

2009 Rank	2009 Companies	2009 Market Share	2008 Market Share	Share Change	2009 Cases (millions)	Volume % Change
1	Coca-Cola Co.	41.9	42.7	-0.8	3947.0	-3.9%
2	PepsiCo	29.9	30.8	-0.9	2815.3	-5.0%
3	Dr Pepper Snapple	16.4	15.3	+1.1	1541.5	+4.8%
4	Cott Corp.	4.9	4.7	+0.2	461.4	+3.0%
5	National Beverage	2.7	2.6	+0.1	254.2	+2.7%
6	Hansen Natural	0.9	0.8	+0.1	87.7	+11.0%
7	Red Bull	0.7	0.7	flat	68.0	+1.2%
8	Big Red	0.5	0.5	flat	48.8	+12.0%
9	Rockstar	0.4	0.4	flat	37.4	-7.0%
10	Private label and other	1.7	1.5	+0.2	154.8	+1.5%
	Total Industry	100.0	100	n/a	9416.1	-2.1%

2009 Rank	2009 Brands	2009 Market Share	2008 Market Share	Share Change	2009 Cases (millions)	Volume % Change
1	Coke (Coke)	17.0	17.3	-0.3	1598.0	-4.0%
2	Pepsi-Cola (PepsiCo)	9.9	10.3	-0.4	936.4	-5.5%
3	Diet Coke (Coke)	9.9	10.0	-0.1	936.3	-2.5%
4	Mt. Dew (PepsiCo)	6.7	6.8	-0.1	630.1	-3.5%
5	Dr Pepper (DPS)	6.1	6.1	flat	575.9	-1.7%
6	Diet Pepsi (PepsiCo)	5.6	5.7	-0.1	525.5	-4.5%
7	Sprite (Coke)	5.5	5.6	-0.1	515.2	-4.0%
8	Diet Mt Dew (PepsiCo)	1.9	1.8	+0.1	177.2	+4.5%
9	Fanta (Coke)	1.8	1.8	flat	168.8	-4.0%
10	Diet Dr Pepper (DPS)	1.8	1.6	+0.2	165.2	+4.8%

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Pepsi down -5.5%. Pepsi fell below 1 bil cases in 2008, for the first time in decades. Among brands below the top-10, Coke Zero grew +20% to 116 mil cases. But it is still far from being a top-10 brand in this all-channel data. Given the success of Diet Mt. Dew, Diet Dr Pepper and Coke Zero, BD estimates that the diet part of the U.S. CSD business gained share in 2009 and is now about 30% of the entire category.

**Companies.** Coca-Cola Co and PepsiCo both lost share and volume last year. Coke's CSD volume was down -3.9%, worse than in 2008 when it was down -3.1%. PepsiCo was down -5%, worse than its 2008 -4% result. However, Dr Pepper Snapple posted a CSD volume increase of +4.8% after being down -1.3% in 2008. It benefited last year from the growth of Crush as it went into the Pepsi bottling system; Crush was up +377% to about 80 mil cases. DPS also benefited from the launch of the Dr Pepper Cherry line extension, which, combining regular/diet, generated about 27 mil cases. Hansen -- with both energy drinks and other CSDs in its portfolio -- is the #6 company; it posted +11% CSD growth. Red Bull volume up +1.2%. Cott posted +3% growth after being down -6.6% in 2008.

**LRBs.** In the U.S., with CSDs declining, other categories growth-challenged and the country in a recession, total liquid refreshment beverage (LRB) results are also slipping. For 2009, Coke's LRB volume was down -3.1%. PepsiCo was down -7.5%. Dr Pepper Snapple, however, was up +3.3% powered by its strong CSD performance. LRBs include CSDs, non-carbs and single-serve bottled water; not most refrigerated juices/juice drinks such as Tropicana.

**CSD cases and dollars. Per Caps.** With 2009 CSD volume at about 9.4 bil 192-oz cases, the category has slipped well below 10 bil cases, a threshold it passed in 2001 (right chart above). The retail dollar value of the U.S. CSD business in 2009 was up about +1.6% to \$73.9 bil. That compares to \$72.7 bil in 2008. The retail value increase -- in the face of declining volume -- is due to two factors: price increases of traditional CSDs and the growth of some premium-priced energy drinks such as Monster and Red Bull. **Per Caps.** With the decline in CSD volume and the growth in the U.S. population, BD estimates that CSD per capita consumption for 2009 fell to about 736 eight-ounce servings. That compares to 760 eight-ounce servings in 2008. Per caps in the U.S. reached their peak in 1998 at 864; per caps are now -14.8% below that. On a per cap basis, the U.S. CSD industry has not been at this level since 1989. However, even with the recent declines, the U.S. still has the highest CSD per caps in the world.

**Methodology.** BD tracks CSD volume in all channels including retail, vending and fountain. CSD, non-carb and water all-channel data will be available in BD's "Fact Book 2010"; spring publication; order form on BD's web site at: [www.beverage-digest.com](http://www.beverage-digest.com) BD's all-channel data is based on BD estimates, which, in some cases, may differ from companies' data and is, in the end, based on BD's evaluation, analysis and opinion.

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