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Special Issue: Top-10 CSD Results for 2010.

Category Down 6th Straight Year, But Less. Dr Pepper Snapple and Coke Gain Share. PepsiCo Down. Brands: Diet Coke Passes Pepsi; Now #2. Diet Mt. Dew and Diet Dr Pepper Are Top-Performers.

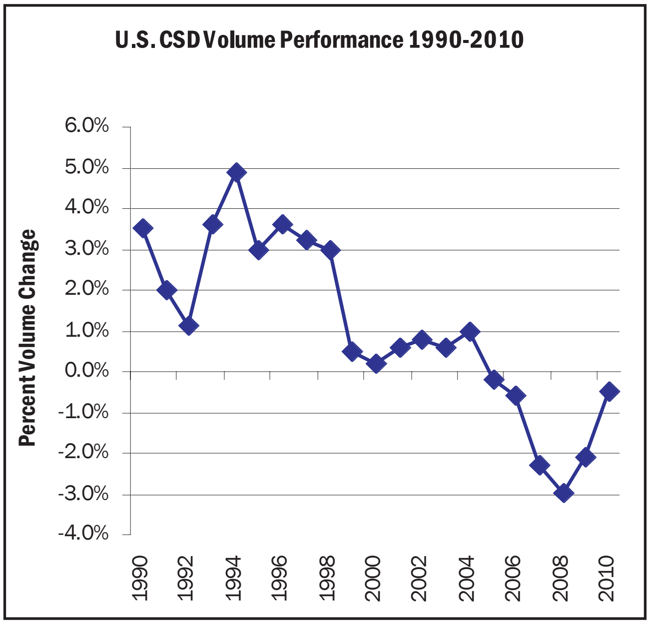
The volume of the U.S. CSD business declined -0.5% in 2010, to a total of about 9.36 bil cases. That is better than the -2.1% decline in 2009. The CSD category in the U.S. last grew in 2004. With the volume declines of the last six years, the category's volume is back down to about where it was in 1996, eliminating years of growth (right chart page 2). 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.

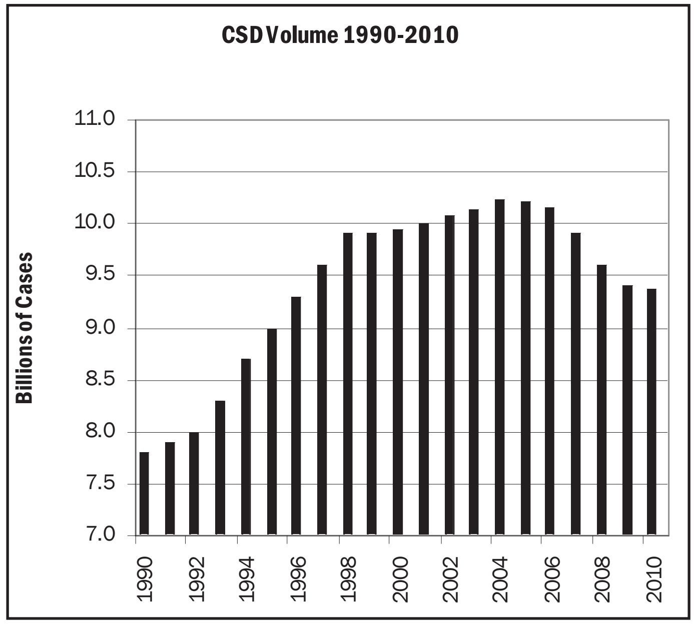
Top-10 Brands. Two diet brands -- Diet Mt. Dew and Diet Dr. Pepper -- posted volume growth rates in excess of +5%. Diet Coke, though down -1%, moved ahead of regular Pepsi in the brand rankings and is now the #2 brand. Pepsi's volume was down -4.8%. Beyond Diet Mt. Dew and Diet Dr Pepper, four other top-10 brands posted volume growth: Dr Pepper, Sprite, Mt. Dew and Fanta. The two big colas -- Coke and Pepsi -- continued to decline: Coke down -0.5%

Top-10 CSD Companies and Brands for 2010

2010 Rank	Companies	2010 Market Share	2009 Market Share	Share Change	2010 Cases (millions)	Volume % Change
1	Coca-Cola Co.	42.0	41.9	+0.1	3928.6	-0.5%
2	PepsiCo	29.3	29.9	-0.6	2744.7	-2.6%
3	Dr Pepper Snapple	16.7	16.4	+0.3	1562.8	+1.4%
4	Cott Corp.	4.8	4.9	-0.1	452.2	-2.0%
5	National Beverage	2.8	2.7	+0.1	261.1	+2.7%
6	Hansen Natural	1.0	0.9	+0.1	95.6	+9.0%
7	Red Bull	0.8	0.7	+0.1	76.8	+13.0%
8	Big Red	0.5	0.5	flat	50.7	+3.9%
9	Rockstar	0.5	0.4	+0.1	44.5	+19.0%
10	Private label and other	1.6	1.7	-0.1	147.5	-2.9%
	Total Industry	100.0	100.0	n/a	9364.5	-0.5%

2010 Rank	Brands	2010 Market Share	2009 Market Share	Share Change	2010 Cases (millions)	Volume % Change
1	Coke (Coke)	17.0	17.0	flat	1590.0	-0.5%
2	Diet Coke (Coke)	9.9	9.9	flat	926.9	-1.0%
3	Pepsi-Cola (PepsiCo)	9.5	9.9	-0.4	891.5	-4.8%
4	Mt. Dew (PepsiCo)	6.8	6.7	+0.1	633.3	+0.5%
5	Dr Pepper (DPS)	6.3	6.1	+0.2	592.0	+2.8%
6	Sprite (Coke)	5.6	5.5	+0.1	525.5	+2.0%
7	Diet Pepsi (PepsiCo)	5.3	5.6	-0.3	498.2	-5.2%
8	Diet Mt Dew (PepsiCo)	2.0	1.9	+0.1	187.5	+5.8%
9	Diet Dr Pepper (DPS)	1.9	1.8	+0.1	174.5	+5.6%
10	Fanta (Coke)	1.8	1.8	flat	170.5	+1.0%





and Pepsi down -4.8%. Pepsi fell below 1 bil cases in 2008, for the first time in decades. Just below the top-10, Coke Zero grew +17.5% to 136.4 mil cases. It is the #11 brand, but it is still far from being a top-10 brand in this all-channel data. Given the strong performance 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 2010 and is now more than 30% of the entire category.

Companies. Coca-Cola Co's market share was up slightly last year on volume which was down slightly. Coke's CSD volume decline of -0.5% reflected much better performance than in 2009 when it was down -3.9%. PepsiCo lost both share and volume last year. PepsiCo's CSD volume was down -4.8%, about the same as its -5% decline in 2009. Dr Pepper Snapple in 2010 posted a CSD volume increase of +1.4%; in 2009, it grew +4.8%. It benefited last year from strong performance of Dr Pepper in fountain; regular Dr Pepper was up +2.8%.

LRBs. BD's all-channel LRB data does not completely correlate with the published results from Coke and PepsiCo. For example, BD's all-channel data does not include refrigerated juices such as Tropicana, Minute Maid and Simply. In addition, Coke said in early 2010 it had "exited" the warehouse delivery bottled water business, mainly Spring, and excluded all of that business from its reported volume and revenues for both 2009 and 2010. In BD's all-channel data, Coke's LRB volume in 2010 was up +0.8% if that business were excluded for 2009 and 2010, and was flat if that business, which still had some volume in 2010, were included for both years. For 2010, PepsiCo's LRB volume was down -1.1%, a decline, but better than its CSD performance. Dr Pepper Snapple's LRB volume was up +1.5%, about the same as its CSD performance. LRBs include CSDs, non-carbs and single-serve bottled water.

CSD Dollars. The retail dollar value of the U.S. CSD business in 2010 was up about +0.4% to $74.2 bil. That compares to $73.9 bil in 2009. The retail value increase -- in the face of declining volume -- is due to two factors: price increases of traditional CSDs and the growth of premium-priced energy drinks such as Monster, Red Bull and Rockstar. **Per Caps.** With the decline in CSD volume and the growth in the U.S. population, BD estimates that CSD per capita consumption for 2010 fell to about 728 eight-ounce servings. That compares to 739 eight-ounce servings in 2009. Per caps in the U.S. reached their peak in 1998 at 864. On a per cap basis, the U.S. CSD industry has not been down at this level since 1988. **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 2011"; spring publication. BD's all-channel data is based on BD estimates, which, in some cases, differ from the companies' data and is from BD reporting, evaluation and analysis.

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