BEVERAGE DIGEST

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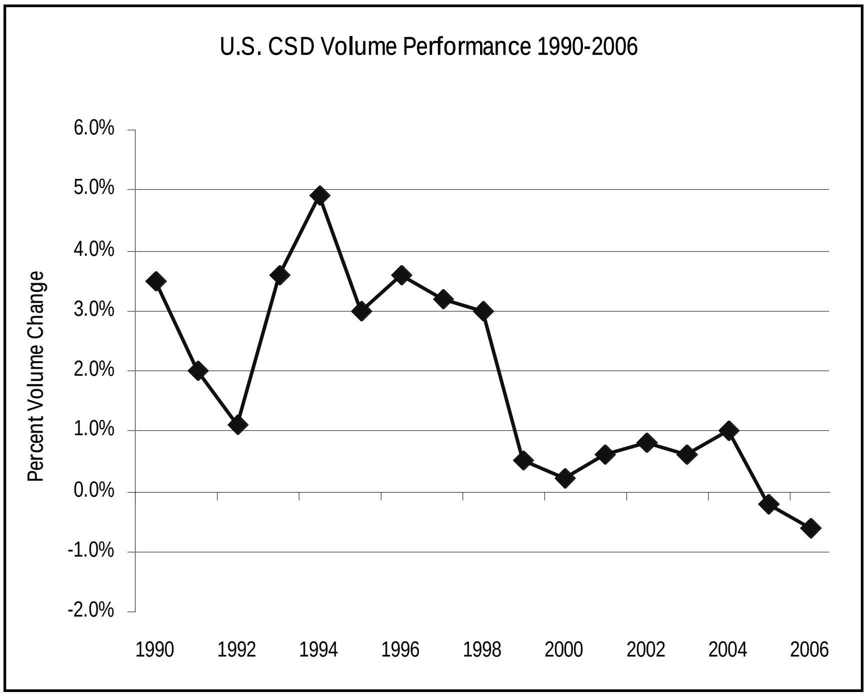
Special Issue: Top-10 CSD Results for 2006.

Category Down Again. Cadbury Out-Performs in CSDs. PepsiCo Out-Performs in LRBs. Coke and Pepsi Each Have Four Top-10 CSD Brands. Diet Mt. Dew Strongest Performing Top-10 Brand.

The U.S. CSD market declined -0.6% in 2006. That compares to a -0.2% decline in 2005. As shown by the chart on this page, the CSD industry has moved from roughly +3% growth in the 1990's to modest declines in the last two years. BD's data includes energy drinks. BD estimates that if energy drinks were excluded, the category would be down by about -1.5%. This data includes CSDs only, not bottled water, sports drinks, RTD teas, etc. This all-channel data captures all CSD volume: retail, fountain, vending, etc.



LRBs. In the U.S., though CSDs are declining, total liquid refreshment beverages (LRBs) are growing; they include CSDs plus bottled water, sports drinks, etc. Among the major soft drink companies, PepsiCo leads LRB growth with volume up +4.3%. Coke was up +0.2%. And Cadbury was up just slightly vs 2005. A large part of PepsiCo's LRB growth was driven by Gatorade, Aquafina and its strongly-performing Lipton tea portfolio. BD will publish LRB details in upcoming issues.

CSD cases and dollars. BD estimates that the total CSD volume in 2006 was about 10.16 bil 192-oz cases. The retail dollar value of the U.S. CSD business in 2006 was up about +3% to $70.1 bil. That compares to $68.1 bil in 2005. The dollar increase -- in the face of declining volume -- is due to two factors: price increases of traditional CSDs and the growth in premium-priced energy drinks.

Per caps. With the decline in CSD volume and the growth in the U.S. population, BD preliminarily estimates that CSD per capita consumption for 2006 fell to about 814 eight-ounce servings. That compares to 828 in 2006 and 849 in 2000. However, the U.S. still has the highest CSD per caps in the world.

Companies. The top-two companies, Coke and Pepsi, generated very similar results last year. Coke's CSD volume was down -1.2%; PepsiCo's was down -1.3%. Both lost share. Cadbury generated positive performance. It posted CSD growth of +1.3% in a declining

Top-10 CSD Companies and Brands for 2006

2006 Rank	Companies	2006 Market Share	2005 Market Share	Share Change	2006 Cases (millions)	2005 Cases (millions)	Volume % Change
1	Coca-Cola Co.	42.9	43.1	-0.2	4357.5	4408.4	-1.2%
2	Pepsi-Cola Co.	31.2	31.4	-0.2	3164.6	3207.8	-1.3%
3	Cadbury Schweppes	14.9	14.6	+0.3	1512.9	1494.1	+1.3%
4	Cott Corp.	5.1	5.4	-0.3	520.9	553.6	-5.9%
5	National Beverage	2.5	2.4	+0.1	249.4	246.9	+1.0%
6	Hansen Natural	0.6	0.3	+0.3	58.6	34.9	+67.9%
7	Red Bull	0.5	0.4	+0.1	53.7	42.3	+27.0%
8	Big Red	0.4	0.4	flat	42.4	41.6	+1.9%
9	Rockstar	0.3	0.2	+0.1	31.4	19.0	+65.3%
10	Monarch Co.	0.1	0.1	flat	9.7	9.8	-1.1%
	Private label and other	1.5	1.7	-0.2	156.7	165.2	-5.1%
	Total Industry	100.0	100.0		10,157.8	10,223.6	-0.6%

2006 Rank	Brands	2006 Market Share	2005 Market Share	Share Change	2006 Cases (millions)	2005 Cases (millions)	Volume % Change
1	Coke Classic (Coke)	17.3	17.6	-0.3	1760.1	1796.0	-2.0%
2	Pepsi-Cola (Pepsi)	11.0	11.2	-0.2	1113.2	1141.8	-2.5%
3	Diet Coke (Coke)	9.8	9.8	flat	998.0	999.0	-0.1%
4	Mt. Dew (Pepsi)	6.6	6.5	+0.1	666.3	659.7	+1.0%
5	Diet Pepsi (Pepsi)	6.0	6.0	flat	607.0	613.1	-1.0%
6	Dr Pepper (Cadbury)	5.8	5.7	+0.1	588.2	578.4	+1.7%
7	Sprite (Coke)	5.7	5.7	flat	575.2	581.0	-1.0%
8	Fanta (Coke)	1.8	1.6	+0.2	179.4	167.7	+7.0%
9	Diet Mt Dew (Pepsi)	1.5	1.4	+0.1	152.4	140.5	+8.5%
10	Diet Dr Pepper (Cadbury)	1.5	1.4	+0.1	149.2	140.2	+6.4%

market and gained share. That is due to the growth of Dr Pepper and Diet Dr Pepper and volume growth in its top flavor brands. Additionally, brand 7UP staged a turnaround last year, posting volume +3% growth; it transitioned to "natural" positioning at mid-year. As in 2005, the strongest growth performers in 2006 were the energy drink companies. Hansen Natural -- with both energy drinks and other CSDs in its portfolio -- is now the #6 company; it posted +67.9% CSD growth and even stronger energy drink growth. Additionally, Red Bull and Rockstar performed strongly last year.

Brands. Even in the difficult CSD climate, some major brands posted volume growth last year. Mt. Dew, Dr Pepper, Fanta, Diet Mt. Dew and Diet Dr Pepper all posted increases in case sales and gained share. However, the big flagship cola brands -- Coke Classic and Pepsi -- both declined with Coke Classic volume down -2% and Pepsi down -2.5%.

Change in order. There were some changes in the top-10 brand list for 2006. Dr Pepper pulled ahead of Sprite. Diet Mt. Dew replaced Caffeine Free Diet Coke in the #9 spot. Diet Dr Pepper moved into the #10 spot, replacing last year's #10 tie-ranked brands Sierra Mist and Diet Mt. Dew.

BD/Maxwell tracks CSD volume in all channels including retail, vending and fountain. Complete CSD, non-carb and water all-channel data will be available in BD's "Fact Book 2007"; spring publication.

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