

# BEVERAGE DIGEST

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FOR IMMEDIATE RELEASE

## **Beverage Digest/Maxwell Ranks U.S. Soft Drink Industry for 2004. Cadbury Volume Up +2.3%. Pepsi Up Modestly. Coke Down. Diet Dr Pepper Rejoins Top-10 Brand List. Diet Pepsi and Diet Coke Out-Perform.**

Bedford Hills, NY: In 2004, the U.S. carbonated soft drink (CSD) industry posted volume growth of +1% overall, according to the new Beverage Digest/Maxwell all-channel data. That growth rate was higher than 2003's growth rate of +0.6%. But it is far below the industry's annual 2%-4% growth rate range seen throughout most of the 1990s. In 2004, the industry's total volume was 10.2 billion cases. Growth last year was driven by diet CSDs and energy drinks.

Beverage Digest estimates the retail value of the industry grew +3.25% to about \$65.9 billion, up from \$63.8 billion in 2003, as prices increased faster than volume.

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### Top-10 CSD Companies and Brands

2004 Rank	2004 Companies	2004 Market Share	Share Change	2004 Cases (millions)	Volume % Change
1	Coca-Cola Co.	43.1	-0.9	4414.8	-1.0%
2	Pepsi-Cola Co.	31.7	-0.1	3241.7	+0.4%
3	Cadbury Schweppes	14.5	+0.2	1485.9	+2.3%
4	Cott Corp.	5.5	+0.8	564.9	+18.2%
5	National Beverage	2.4	flat	249.4	+2.2%
6	Big Red	0.4	flat	41.5	-0.5%
7	Red Bull	0.3	+0.1	30.0	+45.0%
8	Hansen Natural	0.2	+0.1	20.2	+56.6%
9	Monarch Co.	0.1	flat	9.8	+7.6%
10	Rockstar	0.1	+0.1	9.7	+154.5%
	Private label/other	1.7	-0.3	171.5	-11.2%
	Total Industry	100.0		10239.4	+1.0%

2004 Rank	2004 Brands	2004 Market Share	Share Change	2004 Cases (millions)	Volume % Change
1	Coke Classic (Coke)	17.9	-0.7	1832.7	-3.0%
2	Pepsi-Cola (Pepsi)	11.5	-0.4	1179.5	-2.5%
3	Diet Coke (Coke)	9.7	+0.3	998.0	+5.0%
4	Mt. Dew (Pepsi)	6.3	flat	648.0	+1.5%
5	Diet Pepsi (Pepsi)	6.1	+0.3	625.0	+6.7%
6	Sprite (Coke)	5.7	-0.2	580.5	-3.0%
7	Dr Pepper (Cadbury)	5.6	-0.1	574.1	+0.1%
8	CF Diet Coke (Coke)	1.7	flat	170.0	-1.0%
9	Diet Dr Pepper (Cadbury)	1.4	+0.2	140.1	+16.2%
10	Sierra Mist (Pepsi)	1.4	flat	138.8	-1.0%

### **The Companies: Cadbury and Pepsi Up. Energy Drink Companies Grow Strongly.**

Among the top-three companies, Cadbury Schweppes and PepsiCo both posted corporate volume growth, as their large diet brands grew strongly.

Cadbury's volume was up +2.3%, and its market share was up +0.2. Its Diet Dr Pepper grew volume by +16.2%. Cadbury rebounded from a share loss in 2003, when some of the volume of its 7UP brand moved from the Pepsi bottling system to the independent system. In 2003, trademark 7UP was down -18.2%. In 2004, it was down -6.3%.

PepsiCo's volume was up +0.4%. Its share was down slightly. Diet Pepsi grew +6.7%, and Diet Mt. Dew grew +15%. PepsiCo lost one-tenth of a share point.

Market leader Coca-Cola Co's corporate CSD volume was down in 2004, as was its market share. It lost -0.9 share points. Diet Coke posted +5% growth. Coke's other top-10 brands declined.

Together, the top-3 companies -- Coke, Pepsi and Cadbury -- accounted for about 90% of industry volume.

2004 was another good year for Toronto-based Cott Corp., the leading producer of private label CSDs. It gained significant volume and share. About 70% percent of its growth was organic, with the remainder from acquisitions.

Red Bull, the leading energy drink producer, is now the #7 ranked CSD company. Its growth rate was about +45%, and it gained share. Hansen's, which markets and sells the Monster energy drinks, also posted strong performance in 2004, as it did in 2003. Rockstar, another producer of energy drinks, entered the top-10 ranks last year.

Beverage Digest includes energy drinks as a segment of the CSD category. They bear a much higher price than other CSDs and are sold in different kinds of packages. Total energy drinks added about three-tenths of a percentage point of growth last year, so without them, CSD category growth in 2004 would have been about +0.7%. In 2003, energy drinks added about one-tenth of a percentage point of growth.

### **The Brands: Rankings Change. Diet Pepsi Moves Up. Dr Pepper Re-Enters Top-10.**

There were changes in the top-10 brands last year. Diet Dr Pepper re-entered the rankings. It was in the top-10 in 2002, but not in 2003. Sprite dropped down one place in the rankings to the # 6 spot. Diet Pepsi moved ahead of Sprite to become the #5 brand. 7UP dropped out of the top-10 brands; it had been a top-10 brand since Beverage Digest/Maxwell tracking began in 1985.

All of the top-10 brands are owned by the top-three companies: Coca-Cola Co, PepsiCo and Cadbury Schweppes. Coke Classic continues in the number one spot, followed by Pepsi-Cola. Coca-Cola Co and PepsiCo each own four of the top-10 brands. Cadbury owns two.

The top-3 volume growth performers among the top-10 brands in 2004 were: Diet Dr Pepper, Diet Pepsi and Diet Coke. Diet Pepsi posted the strongest growth of any cola in the top-10 list, up +6.7%.

Beverage Digest/Maxwell tracks carbonated soft drink volume in all channels including retail, vending and fountain. The table shows the top-10 soft drink companies and brands for 2004. Case volume is in 192-oz cases.

Beverage Digest, based in Bedford Hills, NY, publishes a newsletter and several books on the non-alcoholic beverage business. The 2005 edition of the Beverage Digest Fact Book will be published this spring and will contain in-depth, brand-level data on CSDs, water and non-carbonated beverages. The company also holds two conferences each year: Wall Street Smarts in June and Future Smarts in December. For more information, see the company's website: [www.Beverage-Digest.com](http://www.Beverage-Digest.com). John C. Maxwell is Contributing Editor of Beverage Digest.