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News Release

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- **Ciders and Vodkas top growth categories in International alcoholic beverage sales**
- **Nielsen's first ever global report on trends in alcoholic beverage consumption shows an increase of six percent across 53 Markets**

Sydney, September 16, 2008 – In International markets, Alcoholic Ciders and Vodkas showed growth of 14 percent and 11 percent respectively in 2007, making them the highest-growth alcoholic beverage categories around the world, according to The Nielsen Company's first-ever study of retail and on-premise sales trends of Alcoholic Beverage products: "What's Hot around the Globe - Insights on Alcoholic Beverage Categories".

Global consumption of Alcoholic Beverage categories measured in the report grew by six percent from 2006 to 2007, with Asia Pacific below the global average at four percent. Eastern Europe, Middle East and Africa (EEMEA) stood well in front with a 17 percent growth rate. The global figures are consistent with overall growth in Food and Beverage categories, as reported in previous Nielsen studies for the same time period. Growth rates varied significantly between regions and within categories.

"As the study measures growth in recorded value sales; inflation and channel shifts can affect the trend", noted Michael Walton, Executive Director, Liquor Services Pacific, Nielsen. "However, in many markets where categories were on the rise, consumers' trading up to more premium brands certainly had an impact as well".



The findings also indicated that Australia fell short of the top ten fastest growing countries, taking in twelfth position at six percent. The Ukraine, Venezuela and Argentina dominated the top three positions with 43 percent, 29 percent and 23 percent respectively.

“While some of the growth in the alcoholic beverage categories can certainly be attributed to price inflation, many emerging regions are becoming increasingly attractive to marketers of products in these categories, due to their strong year-on-year performance”, says Walton.

With a 14 percent overall increase, Alcoholic Cider was the fastest growing category tracked. Based on the markets measured, Great Britain was the primary driver with a 26 percent growth rate in what is a billion-dollar category for that market. Australia also showed consistent and moderate growth with 12 percent, albeit from a small base.

Vodka’s growth rate was fuelled by many markets, with the category having an overall growth rate of 11 percent. Russia, the largest market in sales for this category, had a seven percent year-on-year increase. While Australian sales for category cannot compare to those of Russia, Poland and the USA, its overall growth rate is higher than the global average with 13 percent. In the past 12 months the Vodka category has seen over 63 new brands hit the market. “This segment shows perfectly that even as times get a little tougher new product launches can help stimulate consumer interest and category growth” said Walton

Although Beer is predominantly the biggest category, it received a moderate growth of just six percent. The USA, a market worth in excess of 25 million dollars only experienced a three percent growth rate, with the likes of Russia (23%), Thailand (18%) and Poland (13%) taking the tops spots. Australia fell just short of the global average with five percent.

In terms of consumption in on-premise locations (such as bars and restaurants), Wine is growing in on-premise in more markets than in retail, among the top retail-sales markets value that also track on-premise sales. In the Spirits category, conversely, more markets are growing in retail than in on-premise. Beer, by far the largest category of alcoholic beverages around the world, is evenly split between markets growing in retail and those growing in on-premise.

“These global insights add enormously to our thinking about the future of our local market. Not only in what trends echo with our consumers here, but also the opportunities for our exporters looking to exploit the growing alcoholic beverage markets overseas” said Walton.



About the 'What's Hot around the Globe - Insights on Alcoholic Beverage Categories' report

The study was based on data from retail sales in 53 markets and on-premise sales in 20 markets in five regions: Europe, Asia Pacific, North America, Latin America and EEMEA (Eastern Europe, Middle East and Africa). It draws on consumer purchases in grocery and mass merchandise retailers and on-premise locations such as bars and restaurants for the full year periods 2006 and 2007. In many markets, specialty liquor stores are not included due to local restrictions and participation.

About The Nielsen Company

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