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BEVERAGE CATEGORY SUFFERS DECLINE IN RETAIL SALES' VALUE FOR THE FIRST TIME IN FIVE YEARS

SYDNEY, Australia (July 4, 2011) – According to the recently released **2011 Wider Beverage Report** by Nielsen, a leading global provider of insights into what consumers watch and buy, the latest trends in the Australian beverage market reveal that total value and volume sales are in decline. The report shows that for the first time since 2006, total beverage retail sales' values declined in 2010. Total beverage volume also declined over the last year, but its compound annual growth rate actually grew.

Liz Watkinson, Director for Nielsen's Liquor Services Group, said: "Packaged beer has been a key component in the recent beverage decline. It represents the largest beverage segment, and accounts for nearly one dollar in every four spent in the beverage category. This is the first time we've seen the segment decline in over four years, as the traditional Low Carb and Premium beer growth engines no longer appear to be fuelling the category.

The report shows that there has been a decline in beverage volume sales per capita over 2009. Also in decline is spend per capita, but this still represents an increase of $100 per person on 2006. Spend per litre on total beverages remains the same as 2009, but has still increased per litre on 2006.

On the private label front, house brand growth continues to outpace branded beverage growth. Overall, private label brands represent a seven percent share of beverages in retail value. Bottled wine, chilled white milk and cask wine were segments where private label brands not only grew faster than branded products but also added more value to the segment than other branded products.

Other key insights from the report, which provides the only multi-channel, multi-category review of the wider beverage market in Australia, reveal that Aussies are spending 60 percent of their beverage dollars on alcoholic drinks, which is high given that the market is restricted to adults aged 18 and over. The amount spent on alcohol is five times greater than the next largest category, carbonated drinks.

In terms of the beverage volume consumed, however, it's not alcohol, but tea and coffee that represent what Australians are drinking the most, at just over a third of all beverages consumed. Alcohol is the next favoured drink, in terms of amount consumed, at 19 percent volume.

New age drinks was the fastest growing category in retail value, primarily driven by the strong performance and the premium pricing of the energy drinks, functional waters and tea drinks segments. But after three years of exceptional growth, the functional waters' segment declined significantly in 2010.

In terms of innovation, the drink segments spearheading this realm were functional waters, energy drinks, tea drinks and cider. These drinks also experienced the highest growth rates all of the beverage segments.

Coca Cola retains its position as the number one beverage trademark in the 2010 top 50 beverage trademark rankings (Chart 1), followed by Victoria Bitter and Carlton. The three fastest moving trademarks in 2010 compared to 2006 were Pure Blonde, Red Bull and Lipton. Trademark entrants in 2010 were Devondale, Mother, Gatorade and Strongbow, which is the first cider trademark to enter the top 50.

Chart 1: Top 5 Trademarks Table, Australia, 2010

Rank 2010	Trademark	Category	$ Retail Turnover	Rank 2006
1	Coca-Cola	Carbonated Drinks	$750m+	2
2	Victoria Bitter	Alcohol	$750m+	1
3	Carlton	Alcohol	$750m+	7
4	Jim Beam	Alcohol	$500m-$750m	3
5	Tooheys	Alcohol	$500m-$750m	4

About the report

The full **2011 Nielsen Wider Beverage Report** is now available to purchase through Nielsen and provides a unique view of beverage spend and consumption across key channels and beverage categories in Australia. It is the only multi-channel, multi-category review of the wider beverage market in Australia. The report reviews category, channel and pack type performance, and addresses a number of key questions impacting the wider beverage market. Category coverage ranges from alcohol, to new age drinks, to tea; and store coverage ranges from bottle shops, to supermarkets, to corner shops. The 2011 report focuses on the key changes in beverage spending and drinking habits over the last five years – from 2006 to 2010.

For more information, or for further details of how to purchase the report, please contact your Nielsen representative or email anthony.mete@nielsen.com.

About Nielsen

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