The 2002 Statistics

In 2002, bottled water volume increased more vigorously than it did in 2001. Dollar sales also enlarged forcefully, albeit at a slower rate than in the year before, perhaps reflecting pricing pressures. According to the latest edition of Beverage Marketing’s comprehensive study of the market, Bottled Water in the U.S., volume swelled to more than 6.0 billion gallons, an increase of close to 11% over 2001. Dollars increased even more dramatically, advancing by 11.9% to $7.7 billion. While sales increased more vigorously than volume, 2002’s dollar growth was slower than 2001’s, while volume growth enjoyed its third consecutive year of quickening growth.

U.S. BOTTLED WATER MARKET
Volume and Producer Revenues
1992 – 2002

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions of Gallons</th>
<th>Annual % Change</th>
<th>Millions of Dollars</th>
<th>Annual % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>2,486.6</td>
<td>5.5%</td>
<td>$2,658.7</td>
<td>5.8%</td>
</tr>
<tr>
<td>1993</td>
<td>2,689.4</td>
<td>8.2%</td>
<td>$2,876.7</td>
<td>8.2%</td>
</tr>
<tr>
<td>1994</td>
<td>2,966.4</td>
<td>10.3%</td>
<td>$3,164.3</td>
<td>10.0%</td>
</tr>
<tr>
<td>1995</td>
<td>3,226.9</td>
<td>8.8%</td>
<td>$3,521.9</td>
<td>11.3%</td>
</tr>
<tr>
<td>1996</td>
<td>3,495.1</td>
<td>8.3%</td>
<td>$3,835.4</td>
<td>8.9%</td>
</tr>
<tr>
<td>1997</td>
<td>3,794.3</td>
<td>8.6%</td>
<td>$4,222.7</td>
<td>10.1%</td>
</tr>
<tr>
<td>1998</td>
<td>4,130.7</td>
<td>8.9%</td>
<td>$4,666.1</td>
<td>10.5%</td>
</tr>
<tr>
<td>1999</td>
<td>4,583.4</td>
<td>11.0%</td>
<td>$5,314.7</td>
<td>13.9%</td>
</tr>
<tr>
<td>2000</td>
<td>4,904.4</td>
<td>7.0%</td>
<td>$5,809.0</td>
<td>9.3%</td>
</tr>
<tr>
<td>2001</td>
<td>5,425.3</td>
<td>10.6%</td>
<td>$6,880.0</td>
<td>18.4%</td>
</tr>
<tr>
<td>2002</td>
<td>6,018.5</td>
<td>10.9%</td>
<td>$7,700.0</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

Source: Beverage Marketing Corporation

Since the mid-1990s, producers’ revenues have consistently increased at a faster clip than gallonage, reflecting the particularly strong showing of the PET segment. High-margin single-serve packages have enjoyed exceptionally high growth, maintaining solid double-digit rates over the course of a decade. The retail PET segment’s share of the overall U.S. bottled water market has increased from less than one-tenth in the early 1990s to well above one-third of total volume in 2002.
Per Capita Usage Up
Bottled water’s apparently irresistible appeal to U.S. residents is clearly shown in the regular, sizable annual increases in per capita consumption. In 1992, the U.S. absorbed the equivalent of 9.8 gallons for each person in the country. A decade later, per capita bottled water consumption stood at 21.5 gallons.

U.S. BOTTLED WATER MARKET
Per Capita Consumption
1992 – 2002

<table>
<thead>
<tr>
<th>Year</th>
<th>Gallons Per Capita</th>
<th>Annual % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>9.8</td>
<td>--</td>
</tr>
<tr>
<td>1993</td>
<td>10.5</td>
<td>7.4%</td>
</tr>
<tr>
<td>1994</td>
<td>11.5</td>
<td>9.4%</td>
</tr>
<tr>
<td>1995</td>
<td>12.2</td>
<td>6.4%</td>
</tr>
<tr>
<td>1996</td>
<td>13.1</td>
<td>7.4%</td>
</tr>
<tr>
<td>1997</td>
<td>14.1</td>
<td>7.4%</td>
</tr>
<tr>
<td>1998</td>
<td>15.3</td>
<td>8.3%</td>
</tr>
<tr>
<td>1999</td>
<td>16.8</td>
<td>10.0%</td>
</tr>
<tr>
<td>2000</td>
<td>17.8</td>
<td>6.0%</td>
</tr>
<tr>
<td>2001</td>
<td>19.5</td>
<td>9.6%</td>
</tr>
<tr>
<td>2002</td>
<td>21.5</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Source: Beverage Marketing Corporation

U.S. BOTTLED WATER MARKET
Volume & Growth by Segment
1992 – 2002

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Sparkling Volume*</th>
<th>Change</th>
<th>Sparkling Volume*</th>
<th>Change</th>
<th>Imports Volume*</th>
<th>Change</th>
<th>Total Volume*</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>2,228.0</td>
<td>5.5%</td>
<td>172.3</td>
<td>0.0%</td>
<td>86.3</td>
<td>20.9%</td>
<td>2,486.6</td>
<td>5.5%</td>
</tr>
<tr>
<td>1993</td>
<td>2,422.2</td>
<td>8.7%</td>
<td>174.7</td>
<td>1.4%</td>
<td>92.5</td>
<td>7.2%</td>
<td>2,689.4</td>
<td>8.2%</td>
</tr>
<tr>
<td>1994</td>
<td>2,687.6</td>
<td>11.0%</td>
<td>174.8</td>
<td>0.1%</td>
<td>104.0</td>
<td>12.4%</td>
<td>2,966.4</td>
<td>10.3%</td>
</tr>
<tr>
<td>1995</td>
<td>2,965.6</td>
<td>10.3%</td>
<td>164.2</td>
<td>-6.1%</td>
<td>97.1</td>
<td>-6.6%</td>
<td>3,226.9</td>
<td>8.8%</td>
</tr>
<tr>
<td>1996</td>
<td>3,224.3</td>
<td>8.7%</td>
<td>159.0</td>
<td>-3.2%</td>
<td>111.8</td>
<td>15.1%</td>
<td>3,495.1</td>
<td>8.3%</td>
</tr>
<tr>
<td>1997</td>
<td>3,491.4</td>
<td>8.3%</td>
<td>153.8</td>
<td>-3.3%</td>
<td>149.1</td>
<td>33.4%</td>
<td>3,794.3</td>
<td>8.6%</td>
</tr>
<tr>
<td>1998</td>
<td>3,823.8</td>
<td>9.5%</td>
<td>146.1</td>
<td>-5.0%</td>
<td>160.8</td>
<td>7.8%</td>
<td>4,130.7</td>
<td>8.9%</td>
</tr>
<tr>
<td>1999</td>
<td>4,286.3</td>
<td>12.1%</td>
<td>146.0</td>
<td>-0.1%</td>
<td>151.1</td>
<td>-6.0%</td>
<td>4,583.4</td>
<td>11.0%</td>
</tr>
<tr>
<td>2000</td>
<td>4,622.4</td>
<td>7.8%</td>
<td>144.2</td>
<td>-1.2%</td>
<td>137.8</td>
<td>-8.8%</td>
<td>4,904.4</td>
<td>7.0%</td>
</tr>
<tr>
<td>2001</td>
<td>5,157.4</td>
<td>11.6%</td>
<td>144.0</td>
<td>-0.1%</td>
<td>123.9</td>
<td>-10.1%</td>
<td>5,425.3</td>
<td>10.6%</td>
</tr>
<tr>
<td>2002</td>
<td>5,745.3</td>
<td>11.4%</td>
<td>149.5</td>
<td>3.8%</td>
<td>123.7</td>
<td>-0.2%</td>
<td>6,018.5</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

* Millions of gallons
Source: Beverage Marketing Corporation
The Global Scene

# GLOBAL BOTTLED WATER MARKET
Leading Countries' Consumption and Compound Annual Growth Rates
1997 – 2002

<table>
<thead>
<tr>
<th>Rank</th>
<th>Countries</th>
<th>1997</th>
<th>2002</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>3,794.3</td>
<td>6,018.5</td>
<td>9.7%</td>
</tr>
<tr>
<td>2</td>
<td>Mexico</td>
<td>2,767.8</td>
<td>3,898.6</td>
<td>7.1%</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
<td>726.0</td>
<td>2,610.1</td>
<td>29.2%</td>
</tr>
<tr>
<td>4</td>
<td>Italy</td>
<td>1,995.4</td>
<td>2,558.2</td>
<td>5.1%</td>
</tr>
<tr>
<td>5</td>
<td>Brazil</td>
<td>1,038.0</td>
<td>2,541.8</td>
<td>19.6%</td>
</tr>
<tr>
<td>6</td>
<td>Germany</td>
<td>2,166.7</td>
<td>2,371.5</td>
<td>1.8%</td>
</tr>
<tr>
<td>7</td>
<td>France</td>
<td>1,598.0</td>
<td>2,225.6</td>
<td>6.8%</td>
</tr>
<tr>
<td>8</td>
<td>Indonesia</td>
<td>597.0</td>
<td>1,622.5</td>
<td>22.1%</td>
</tr>
<tr>
<td>9</td>
<td>Thailand</td>
<td>941.7</td>
<td>1,277.0</td>
<td>6.3%</td>
</tr>
<tr>
<td>10</td>
<td>Spain</td>
<td>935.2</td>
<td>1,133.7</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td><strong>Top 10 Subtotal</strong></td>
<td><strong>16,560.3</strong></td>
<td><strong>26,257.4</strong></td>
<td><strong>9.7%</strong></td>
</tr>
<tr>
<td></td>
<td><strong>All Others</strong></td>
<td>4,731.1</td>
<td>8,435.4</td>
<td>12.3%</td>
</tr>
<tr>
<td></td>
<td><strong>WORLD TOTAL</strong></td>
<td>21,291.4</td>
<td>34,692.8</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

*Source: Beverage Marketing Corporation*

# GLOBAL BOTTLED WATER MARKET
Per Capita Consumption by Leading Countries
1997 – 2002

<table>
<thead>
<tr>
<th>Rank</th>
<th>Countries</th>
<th>1997</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Italy</td>
<td>35.1</td>
<td>44.2</td>
</tr>
<tr>
<td>2</td>
<td>Mexico</td>
<td>28.6</td>
<td>37.7</td>
</tr>
<tr>
<td>3</td>
<td>France</td>
<td>27.3</td>
<td>37.1</td>
</tr>
<tr>
<td>4</td>
<td>United Arab Emirates</td>
<td>26.8</td>
<td>35.2</td>
</tr>
<tr>
<td>5</td>
<td>Belgium-Luxembourg</td>
<td>30.3</td>
<td>32.7</td>
</tr>
<tr>
<td>6</td>
<td>Germany</td>
<td>26.4</td>
<td>28.8</td>
</tr>
<tr>
<td>7</td>
<td>Spain</td>
<td>23.9</td>
<td>28.2</td>
</tr>
<tr>
<td>8</td>
<td>Lebanon</td>
<td>13.8</td>
<td>24.8</td>
</tr>
<tr>
<td>9</td>
<td>Switzerland</td>
<td>22.7</td>
<td>24.2</td>
</tr>
<tr>
<td>10</td>
<td>Saudi Arabia</td>
<td>17.1</td>
<td>23.8</td>
</tr>
<tr>
<td>11</td>
<td>United States</td>
<td>14.1</td>
<td>21.5</td>
</tr>
<tr>
<td>12</td>
<td>Cyprus</td>
<td>17.2</td>
<td>21.4</td>
</tr>
<tr>
<td>13</td>
<td>Czech Republic</td>
<td>14.2</td>
<td>21.1</td>
</tr>
<tr>
<td>14</td>
<td>Austria</td>
<td>18.5</td>
<td>20.9</td>
</tr>
<tr>
<td>15</td>
<td>Thailand</td>
<td>15.8</td>
<td>20.1</td>
</tr>
<tr>
<td></td>
<td><strong>Global Average</strong></td>
<td><strong>5.7</strong></td>
<td><strong>11.8</strong></td>
</tr>
</tbody>
</table>

*Source: Beverage Marketing Corporation*

John G. Rodwan, Jr. (jrodwan@beveragemarketing.com), is editorial director of New York-based research and consulting firm Beverage Marketing Corporation.