

THE 2006 STATS

Source: Commentary and content provided by Beverage Marketing Corporation

Bottled Water Continues As Number 2 in 2006

Bottled water emerged as the second largest commercial beverage category by volume in the United States in 2003, and, despite its significant stature, it continued to grow at a rapid pace in 2006. The category is growing even more forcefully on a global scale but in the U.S., volume is unparalleled.

In 2006, total U.S. category volume surpassed 8.25 billion gallons, a 9.5% advance over 2005's volume level. That translates into an average of 27.6 gallons per person, which means U.S. residents now drink more bottled water annually than any other beverage, other than carbonated soft drinks (CSDs).

U.S. BOTTLED WATER MARKET Volume and Producer Revenues 2002 – 2007(P)

<u>Year</u>	<u>Millions of Gallons</u>	<u>Annual % Change</u>	<u>Millions of Dollars</u>	<u>Annual % Change</u>
2002	5,795.7	--	\$7,901.4	--
2003	6,269.8	8.2%	\$8,526.4	7.9%
2004	6,806.7	8.6%	\$9,169.5	7.5%
2005	7,539.1	10.8%	\$10,007.4	9.1%
2006	8,253.6	9.5%	\$10,857.8	8.5%
2007 (P)	8,757.4	6.1%	\$11,178.5	6.4%

(P)
Preliminary

Source: Beverage Marketing Corporation

While CSDs still have volume and average intake levels more than twice as high as bottled water, the soft drink market has been struggling recently, because of competition bottled water. Per capita consumption of bottled water has been growing by at least one gallon annually, thereby more than doubling in a decade.

U.S. BOTTLED WATER MARKET
Per Capita Consumption
2002 - 2007(P)

<u>Year</u>	<u>Gallons Per Capita</u>	<u>Annual % Change</u>
2002	20.1	--
2003	21.6	7.2%
2004	23.2	7.5%
2005	25.4	9.7%
2006	27.6	8.4%
2007 (P)	30.2	9.4%

(P) Preliminary

Source: Beverage Marketing Corporation

U.S. BOTTLED WATER MARKET
Volume & Growth by Segment
2002 – 2007(P)

<u>Year</u>	<u>Non-Sparkling</u>		<u>Domestic Sparkling</u>		<u>Imports</u>		<u>Total</u>	
	<u>Volume*</u>	<u>Change</u>	<u>Volume*</u>	<u>Change</u>	<u>Volume*</u>	<u>Change</u>	<u>Volume*</u>	<u>Change</u>
2002	5,487.5	--	149.5	--	158.7	--	5,795.7	--
2003	5,923.9	8.0%	152.6	2.1%	193.3	21.8%	6,269.8	8.2%
2004	6,411.3	8.2%	166.8	9.3%	228.6	18.3%	6,806.7	8.6%
2005	7,171.4	11.9%	185.0	10.9%	182.7	-20.1%	7,537.1	10.8%
2006	7,899.9	10.2%	189.3.0	2.3%	164.4	-10.0%	8,253.6	9.5%
2007 (P)	8,7000.0	10.1%	195.0	2.5%	180.0	8.5%	9,075.0	10.0%

* Millions
of gallons

(P) Preliminary

Source: Beverage Marketing Corporation

GLOBAL BOTTLED WATER MARKET
Leading Countries' Consumption and Compound Annual Growth Rates
2001 – 2006

2006 Rank	Countries	Millions of Gallons		CAGR
		2001	2006	2001/06
1	United States	5,185.3	8,253.6	9.7%
2	Mexico	3,496.5	5,360.4	8.9%
3	China	1,783.1	4,387.7	19.7%
4	Brazil	2,155.9	3,301.6	8.9%
5	Italy	2,502.6	3,115.5	4.5%
6	Germany	2,257.7	2,808.9	4.5%
7	France	2,064.6	2,394.3	3.0%
8	Indonesia	1,352.1	2,155.9	9.8%
9	India	704.3	2,112.9	24.6%
10	Spain	1,146.9	1,343.8	3.2%
	Top 10 Subtotal	22,648.9	35,234.9	9.2%
	All Others	8,585.7	11,767.6	6.5%
	TOTAL	31,234.6	47,002.4	8.5%

Source: Beverage Marketing Corporation

GLOBAL BOTTLED WATER MARKET
Per Capita Consumption by Leading Countries
2001 – 2006

2006 Rank	Countries	Gallons Per Capita	
		2001	2006
1	Italy	43.4	53.6
2	United Arab Emirates	31.3	51.9
3	Mexico	34.3	50.5
4	France	34.7	39.3
5	Belgium-Luxembourg	31.2	38.3
6	Germany	27.2	34.1
7	Spain	28.6	33.3
8	Lebanon	22.5	31.0
9	Switzerland	23.8	29.0
10	United States	18.2	27.6
11	Cyprus	20.2	27.1
12	Saudi Arabia	22.5	25.7
13	Portugal	19.3	24.3
14	Czech Republic	19.6	23.3
15	Qatar	17.7	22.3
	Global Average	5.1	7.2

Source: Beverage Marketing Corporation