



The Nielsen Company
770 Broadway
New York, NY 10003
www.nielsen.com

News Release

FOR IMMEDIATE RELEASE:

CONTACT:

Jennifer Frighetto, (847) 605-5686
jennifer.frighetto@nielsen.com

**CIDERS, VODKAS TOP GROWTH CATEGORIES IN INTERNATIONAL
ALCOHOLIC BEVERAGE SALES**

**Nielsen's First Ever Global Report on Trends in Alcoholic Beverage Consumption
Shows Increase of 6 Percent across 53 Markets**

SCHAUMBURG, IL, July 29, 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, which today released its 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 6 percent from 2006 to 2007, 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 value sales, inflation can affect the trend. However, in many markets where categories were on the rise, consumers' trading up to more premium brands had an impact as well.

"We are seeing a trend in certain markets, such as Russia and Poland, toward higher consumption of premium brands as consumers in those countries increase their spending power," said Richard Hurst, senior vice president, Beverage Alcohol, The Nielsen Company. "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."



The top-growth categories, based primarily on retail sales in food outlets, included:

- **Cider.** 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. The Baltic markets of Lithuania (44 percent) and Latvia (42 percent), although significantly lower in volume sales than Great Britain, also showed dramatic year-over-year growth.
- **Vodka.** The category had an overall growth rate of 11 percent, fueled by many markets. Russia, the largest market in sales for this category, had a 7 percent year-over-year increase, while Poland, the second largest market, had a growth rate of 17 percent. In Western Europe, Great Britain and France were the primary drivers, with 11 percent and 13 percent increases respectively. In this region, vodka appears to be taking share from other spirits, including scotch and rum.
- **Pre-Mixed Alcoholic Beverages.** Overall, this category had a growth rate of 7 percent, but performance in individual markets varied, with many showing losses over the previous year. The leading contributor to growth was Australia, with a 10 percent increase in a \$2 billion dollar market, followed by Japan with a 28 percent increase in a \$300 million market. Several countries exhibited negative trends, most notably a 1 percent decrease in the United States, which is the second largest market in volume sales after Australia. Other markets with decreased sales were Great Britain (-6 percent), France (-7 percent), and Ireland (-8 percent).

The EEMEA (Eastern Europe, Middle East and Africa) and Latin America regions set the pace for global growth in the alcoholic beverage category, as with food and beverages in general, with 17 percent and 15 percent increases respectively; on the other hand, Europe, North America, and Asia Pacific all posted more modest 4 percent increases. Smaller and developing markets tend to show faster growth due to their lower value base, which result in more dramatic changes.

Among markets with over \$1 billion in value sales, the following were the fastest growing:



Market	Percent Increase
Ukraine	43
Venezuela	29
Argentina	23
Russia	17
Poland	15
Brazil	12
Thailand	12

Source: The Nielsen Company "What's Hot around the Globe – Insights on Alcoholic Beverage Categories" 2006-2007

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.

About the Study

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. The full study can be accessed at http://acnielsen.com/reports/index_global.shtml.

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing information (ACNielsen), media information (Nielsen Media Research), online intelligence (NetRatings and BuzzMetrics), mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.

###