as an industry will be stepping up our work to address this issue in 2015.

Consumer needs are clearly changing and as an industry we are responding. By providing an ever wider range of products the soft drinks industry plays a positive role in encouraging and helping consumers make the right choice for their lifestyle.

The number of consumers switching to low, no and mid calorie drinks in 2014 speaks volumes for industry’s efforts to meet changing consumer demands. It means almost half of all carbonates sold in the UK are low or no calorie. Added to that sales of bottled water continued to flourish, up 9.3%, and nearly three quarters of all dilutables sold are low or no calorie. This represents a significant shift.

Driven by a determination to respond to consumer needs and to step up to public health challenges, soft drinks companies have pushed sales of drinks containing fewer calories to unprecedented levels.

Through reformulation, new product development, smaller pack sizes and increased advertising spend of nearly 50% last year alone, soft drinks manufacturers have used a variety of initiatives to achieve their calorie reduction goals whilst still meeting consumer expectations.

But despite the success of some categories overall soft drinks consumption was down slightly by 0.5%. That partly reflects the fall in sales of fruit juice (down 9.5%) - an unfortunate by-product of the misguided campaign on sugar – which sadly means some consumers have reduced the role of fruit juice in their 5 a day. We
for unauthorised soft drink imports sold through the ‘grey market’ are also included. This is more pronounced in categories such as carbonates rather than dilute-to-taste drinks, for example.

The figures presented encompass all aspects of the market including: take home, impulse and on premise; water cooler volumes for the office; home dispensed carbonated soft drinks; and draught dispensed carbonates.

Following a detailed review of all data files received, certain adjustments have been made to historic volumes.
Definition
Carbonated drinks, still and juice drinks, dilutables, fruit juices, and bottled waters. Sport and energy drinks are also included within their relevant categories, namely still and carbonated drinks respectively.

Industry Terms
Regular: 31 and above kcal per 100ml
Mid calorie: 21-30 kcal per 100ml
Low & no calorie: 0-20 kcal per 100ml*

Key 2014 facts
- 14.8 billion litres of soft drinks were consumed in the UK
- The UK soft drinks industry is worth £15.7 billion
- Consumption of bottled water was up 9.3% and value sales up over 10%
- Volume of still flavoured water increased by 16.4% to over 250 million litres
- 49% of carbonates sold in 2014 were low and no calorie

57% of soft drinks are now low and no calorie

UK soft drinks consumption 2008 - 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Million litres</th>
<th>% change</th>
<th>Litres per person</th>
<th>% change</th>
<th>Value, £ million</th>
<th>% change</th>
<th>Value per litre, £</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>13630</td>
<td>-1.0</td>
<td>222.2</td>
<td>+0.9</td>
<td>12610</td>
<td>+0.9</td>
<td>0.93</td>
</tr>
<tr>
<td>2009</td>
<td>13920</td>
<td>+2.1</td>
<td>225.5</td>
<td>+3.1</td>
<td>13000</td>
<td>+3.1</td>
<td>0.93</td>
</tr>
<tr>
<td>2010</td>
<td>14520</td>
<td>+4.3</td>
<td>233.9</td>
<td>+6.0</td>
<td>13780</td>
<td>+6.0</td>
<td>0.95</td>
</tr>
<tr>
<td>2011</td>
<td>14960</td>
<td>+3.0</td>
<td>239.5</td>
<td>+5.9</td>
<td>14590</td>
<td>+5.9</td>
<td>0.98</td>
</tr>
<tr>
<td>2012</td>
<td>14680</td>
<td>-1.9</td>
<td>233.8</td>
<td>+3.0</td>
<td>15030</td>
<td>+3.0</td>
<td>1.02</td>
</tr>
<tr>
<td>2013</td>
<td>14860</td>
<td>+1.2</td>
<td>235.2</td>
<td>+3.2</td>
<td>15510</td>
<td>+3.2</td>
<td>1.04</td>
</tr>
<tr>
<td>2014</td>
<td>14790</td>
<td>-0.5</td>
<td>232.9</td>
<td>+1.0</td>
<td>15670</td>
<td>+1.0</td>
<td>1.06</td>
</tr>
</tbody>
</table>

Source: Zenith International

*Nutrition Claims Annex of Regulation (EC) 1924/2066
14.8 billion litres of soft drinks were consumed in the UK.

The UK soft drinks industry is worth £15.7 billion.

UK calorie split for all soft drinks:
- Low & no calorie [57%]
- Regular [38%]
- Mid calorie [5%]

UK soft drinks sectors:
- Carbonates [43%]
- Dilutables [23%]
- Bottled water [18%]
- Fruit juice [6%]
- Still and juice drinks [10%]

UK soft drinks packaging:
- PET/Plastic [69%]
- Can [12%]
- Carton [9%]
- Glass/Other [6%]
- Dispense [4%]

Source: Zenith International
Bottled water

Definition
Still, sparkling and lightly carbonated; natural mineral waters, spring waters and bottled drinking waters packaged in sizes of 10 litres or below; water for coolers in sizes of 10.1 and above.

UK bottled water consumption 2008-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Million litres</th>
<th>% change</th>
<th>Litres per person</th>
<th>% of all soft drinks</th>
<th>Value, £ million</th>
<th>% change</th>
<th>Value per litre, £</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1970</td>
<td>-5.7</td>
<td>32.1</td>
<td>14.5</td>
<td>1380</td>
<td>-3.5</td>
<td>0.70</td>
</tr>
<tr>
<td>2009</td>
<td>2010</td>
<td>+2.0</td>
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<td>14.4</td>
<td>1400</td>
<td>+1.4</td>
<td>0.70</td>
</tr>
<tr>
<td>2010</td>
<td>2020</td>
<td>+0.5</td>
<td>32.5</td>
<td>13.9</td>
<td>1420</td>
<td>+1.4</td>
<td>0.70</td>
</tr>
<tr>
<td>2011</td>
<td>2070</td>
<td>+2.5</td>
<td>33.2</td>
<td>13.8</td>
<td>1500</td>
<td>+5.6</td>
<td>0.72</td>
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<td>2012</td>
<td>2140</td>
<td>+3.4</td>
<td>34.1</td>
<td>14.6</td>
<td>1570</td>
<td>+4.7</td>
<td>0.73</td>
</tr>
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<td>2013</td>
<td>2360</td>
<td>+10.3</td>
<td>37.4</td>
<td>15.9</td>
<td>1770</td>
<td>+12.7</td>
<td>0.75</td>
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<tr>
<td>2014</td>
<td>2580</td>
<td>+9.3</td>
<td>40.6</td>
<td>17.4</td>
<td>1960</td>
<td>+10.7</td>
<td>0.76</td>
</tr>
</tbody>
</table>

Source: Zenith International

Key 2014 facts
- Overall volume of bottled water rose by 9.3% to 2,580 million litres
- Cooler volumes increased for a second consecutive year rising by 4.9% to over 280 million litres
- The 500ml bottle, both single and multi-pack, continues to be the most popular pack size
- On premise sales continue to recover though the increased demand for tap water in restaurants continues to threaten sales

The average person in the UK consumed 40.6 litres of bottled water in 2014
Overall volume of bottled water rose by 9.3% to 2,580 million litres

UK bottled water categories
- Still bottled [75%]
- Sparkling bottled [14%]
- Still water cooler [11%]

UK bottled water types
- Mineral [59%]
- Spring [32%]
- Bottled drinking water [9%]

UK bottled water packaging
- PET/Plastic [96%]
- Glass/other [4%]

Source: Zenith International
Definition

Ready to drink carbonates, including draught and home dispense; regular, mid, low and no calorie; sparkling juices; cola; lemon including lemonade; lemon-lime; energy drinks; mixers including tonic and bitter drinks; orange; shandy; others including other carbonated fruit flavours, sparkling flavoured water, health drinks and herbal drinks.

Key 2014 facts

- 49% of carbonates sold in 2014 were low and no calorie
- Slight fall in overall volume to 6,380 million litres
- The growing mid calorie market now accounts for 6% of all carbonates sold
- Fewer than half the carbonates in the UK market are regular drinks

UK carbonates consumption 2008-14

<table>
<thead>
<tr>
<th>Year</th>
<th>Million litres</th>
<th>% change</th>
<th>Litres per person</th>
<th>% of all soft drinks</th>
<th>Value, £ million</th>
<th>% change</th>
<th>Value per litre, £</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>5860</td>
<td>+1.9</td>
<td>95.5</td>
<td>43.0</td>
<td>7030</td>
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<td>2009</td>
<td>6040</td>
<td>+3.1</td>
<td>97.9</td>
<td>43.4</td>
<td>7430</td>
<td>+5.7</td>
<td>1.23</td>
</tr>
<tr>
<td>2010</td>
<td>6330</td>
<td>+4.8</td>
<td>102.0</td>
<td>43.6</td>
<td>7910</td>
<td>+6.5</td>
<td>1.25</td>
</tr>
<tr>
<td>2011</td>
<td>6600</td>
<td>+4.3</td>
<td>105.7</td>
<td>44.1</td>
<td>8410</td>
<td>+6.3</td>
<td>1.27</td>
</tr>
<tr>
<td>2012</td>
<td>6440</td>
<td>-2.4</td>
<td>102.6</td>
<td>43.9</td>
<td>8710</td>
<td>+3.6</td>
<td>1.35</td>
</tr>
<tr>
<td>2013</td>
<td>6500</td>
<td>+0.9</td>
<td>103.0</td>
<td>43.7</td>
<td>8920</td>
<td>+2.4</td>
<td>1.37</td>
</tr>
<tr>
<td>2014</td>
<td>6380</td>
<td>-1.8</td>
<td>100.5</td>
<td>43.1</td>
<td>9060</td>
<td>+1.6</td>
<td>1.42</td>
</tr>
</tbody>
</table>

Source: Zenith International
49% of carbonates sold in 2014 were low and no calorie.

**UK calorie split for carbonates**
- Low & no calorie [49%]
- Regular [45%]
- Mid calorie [6%]

**UK carbonates flavours**
- Cola [55%]
- Fruit [17%]
- Lemonade [11%]
- Energy [9%]
- Other [8%]

**UK carbonates packaging**
- PET/Plastic [57%]
- Can [28%]
- Dispense [10%]
- Glass [5%]

Source: Zenith International
Dilutables

Definition

Squashes, cordials, powders and other concentrates for dilution to taste by consumers, adding 4 parts water to 1 part product for single concentrate or 9 parts water to 1 part product for double concentrate. Super concentrate’s dilution rates vary; typically a 50-70ml bottle makes 20-30 servings equivalent to 5-7 RTD litres. **Dilutables are expressed as ready to drink (RTD) for ease of comparison where measuring overall soft drinks market figures/shares.**

Key 2014 facts

- 74% of dilutable drinks are low and no calorie
- Consumption of dilutables fell by 2.3% to 3.4 billion litres in ready to drink volumes
- Market value dropped by 4.5% to under £1.1 billion
- Super concentrate squashes have taken dilutables into the ‘on-the-go’ sector

UK dilutables consumption 2008 - 2014

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million litres</td>
<td>3250</td>
<td>3350</td>
<td>3540</td>
<td>3660</td>
<td>3620</td>
<td>3480</td>
<td>3400</td>
</tr>
<tr>
<td>% change</td>
<td>-3.0</td>
<td>+3.1</td>
<td>+5.7</td>
<td>+3.4</td>
<td>-1.1</td>
<td>-3.9</td>
<td>-2.3</td>
</tr>
<tr>
<td>Litres per person</td>
<td>53.0</td>
<td>54.3</td>
<td>57.0</td>
<td>58.6</td>
<td>57.7</td>
<td>55.1</td>
<td>53.6</td>
</tr>
<tr>
<td>% of all soft drinks</td>
<td>23.8</td>
<td>24.1</td>
<td>24.4</td>
<td>24.5</td>
<td>24.7</td>
<td>23.4</td>
<td>23.0</td>
</tr>
<tr>
<td>Value, £ million</td>
<td>780</td>
<td>840</td>
<td>920</td>
<td>1050</td>
<td>1070</td>
<td>1110</td>
<td>1060</td>
</tr>
<tr>
<td>% change</td>
<td>-3.1</td>
<td>+7.7</td>
<td>+9.5</td>
<td>+14.1</td>
<td>+1.9</td>
<td>+3.7</td>
<td>-4.5</td>
</tr>
<tr>
<td>Value per litre, £</td>
<td>0.24</td>
<td>0.25</td>
<td>0.26</td>
<td>0.29</td>
<td>0.30</td>
<td>0.32</td>
<td>0.31</td>
</tr>
</tbody>
</table>

Source: Zenith International
74% of dilutable drinks are low and no calorie.

Source: Zenith International

**UK calorie split for dilutables**
- Low and no calorie [74%]
- Regular [25%]
- Mid calorie [1%]

**UK dilutables flavours**
- Blends [55%]
- Orange [29%]
- Blackcurrant [8%]
- Lemon [4%]
- Lime [2%]
- Other [2%]

**UK dilutables packaging**
- PET/Plastic up to 1 litre [59%]
- PET/Plastic over 1 litre [38%]
- Other [3%]
Fruit juice

Definition
100% fruit content equivalent, sometimes referred to as pure juice or 100% juice. Chilled juice comprises four main types: freshly squeezed juice; not from concentrate juice; chilled from concentrate (may be from concentrate or part from concentrate); smoothies. Ambient or long life juices are mainly from concentrate.

Key 2014 facts
- Consumption of fruit juice fell to below 1 billion litres in 2014 – down 9.5% on 2013
- Smoothies lost further ground, down 6% to 48 million litres in 2014
- The Government recommends that a portion of 150ml juice can count as one of your 5 a day
- Consumption of fruit juice in the UK equates to an average of just 41ml per person per day

Sector value fell by 7.1% to around £1.7 bn

UK fruit juice consumption 2008 - 2014

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million litres</td>
<td>1190</td>
<td>1150</td>
<td>1180</td>
<td>1160</td>
<td>1100</td>
<td>1050</td>
<td>950</td>
</tr>
<tr>
<td>% change</td>
<td>-3.3</td>
<td>-3.4</td>
<td>+2.6</td>
<td>-1.7</td>
<td>-5.2</td>
<td>-4.5</td>
<td>-9.5</td>
</tr>
<tr>
<td>Litres per person</td>
<td>19.4</td>
<td>18.6</td>
<td>19.0</td>
<td>18.6</td>
<td>17.5</td>
<td>16.6</td>
<td>15.0</td>
</tr>
<tr>
<td>% of all soft drinks</td>
<td>8.7</td>
<td>8.3</td>
<td>8.1</td>
<td>7.8</td>
<td>7.5</td>
<td>7.1</td>
<td>6.4</td>
</tr>
<tr>
<td>Value, £ million</td>
<td>1760</td>
<td>1670</td>
<td>1760</td>
<td>1830</td>
<td>1860</td>
<td>1820</td>
<td>1690</td>
</tr>
<tr>
<td>% change</td>
<td>-3.8</td>
<td>-5.1</td>
<td>+5.4</td>
<td>+4.0</td>
<td>+1.6</td>
<td>-2.2</td>
<td>-7.1</td>
</tr>
<tr>
<td>Value per litre, £</td>
<td>1.48</td>
<td>1.45</td>
<td>1.49</td>
<td>1.58</td>
<td>1.69</td>
<td>1.73</td>
<td>1.78</td>
</tr>
</tbody>
</table>

Source: Zenith International
The Government recommends that a portion of 150ml juice can count as one of your 5 a day.

Consumption of fruit juice in the UK equates to an average of just 41ml per person per day.

Source: Zenith International
Still and juice drinks

Definition
High fruit juice (25-99% fruit content); juice drinks including juicy water (5-30% fruit content); other still drinks (0-5%) including iced tea, sports drinks, still flavoured water and non-fruit drinks.

Key 2014 facts
• Still and juice drinks volumes rose by 0.7% to 1,480 million litres
• Volume of still flavoured water increased by 16.4% to over 250 million litres
• 36% of still and juice drinks are mid, low and no calories

Sales of still and juice drinks were up 0.5% to £1.9 bn

UK still and juice drinks consumption 2008 - 2014

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million litres</td>
<td>1360</td>
<td>1370</td>
<td>1450</td>
<td>1470</td>
<td>1380</td>
<td>1470</td>
<td>1480</td>
</tr>
<tr>
<td>% change</td>
<td>+0.7</td>
<td>+0.7</td>
<td>+5.8</td>
<td>+1.4</td>
<td>-6.1</td>
<td>+6.5</td>
<td>+0.7</td>
</tr>
<tr>
<td>Litres per person</td>
<td>22.2</td>
<td>22.2</td>
<td>23.4</td>
<td>23.5</td>
<td>22.0</td>
<td>23.3</td>
<td>23.3</td>
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<tr>
<td>% of all soft drinks</td>
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<td>9.8</td>
<td>10.0</td>
<td>9.8</td>
<td>9.4</td>
<td>9.9</td>
<td>10.0</td>
</tr>
<tr>
<td>Value, £ million</td>
<td>1660</td>
<td>1660</td>
<td>1770</td>
<td>1800</td>
<td>1820</td>
<td>1890</td>
<td>1900</td>
</tr>
<tr>
<td>% change</td>
<td>+0.6</td>
<td>-</td>
<td>+6.6</td>
<td>+1.7</td>
<td>+1.1</td>
<td>+3.8</td>
<td>+0.5</td>
</tr>
<tr>
<td>Value per litre, £</td>
<td>1.22</td>
<td>1.21</td>
<td>1.22</td>
<td>1.22</td>
<td>1.32</td>
<td>1.29</td>
<td>1.28</td>
</tr>
</tbody>
</table>

Source: Zenith International
Volume of still flavoured water increased by 16.4% to over 250 million litres

UK calorie split for still and juice drinks
- Regular [64%]
- Low and no calorie [19%]
- Mid calorie [17%]

UK still and juice drinks categories
- Juice drinks [55%]
- Still flavoured water [17%]
- High fruit juice [12%]
- Sports [11%]
- Juicy water [3%]
- Other [2%]

UK still and juice drinks packaging
- PET/Plastic [45%]
- Carton [41%]
- Glass/other [14%]
Sports and energy drinks

Definition

Sports drinks
Drinks that enhance physical performance before, during or after physical/sporting activity. Sports drinks replace fluids and electrolytes/minerals lost by sweating and supply a boost of carbohydrate: isotonic (fluid, electrolytes and 6 to 8% carbohydrate), hypotonic (fluids, electrolytes and a low level of carbohydrate) and hypertonic (high level of carbohydrate).

Energy drinks
Traditional glucose based energy drinks; functional or stimulation energy drinks which claim a particular energy boost from caffeine, guarana, taurine and ginseng or other herbs or some combination of these ingredients.

Key 2014 facts

- Sales of sports drinks were worth £250 million in 2014
- The energy drinks market is worth £1,480 million up 4.2% from 2013

Low and no calorie energy drinks now make up around 5% of the energy drinks market

UK sports and energy drinks consumption 2008 - 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% change</td>
<td>+3.2</td>
<td>+6.3</td>
<td>+11.8</td>
<td>+5.3</td>
<td>-1.0</td>
<td>-</td>
<td>-5.6</td>
</tr>
<tr>
<td>Litres per person</td>
<td>2.6</td>
<td>2.7</td>
<td>3.0</td>
<td>3.2</td>
<td>2.9</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>% of all soft drinks</td>
<td>1.2</td>
<td>1.2</td>
<td>1.3</td>
<td>1.3</td>
<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>+5.4</td>
<td>+12.8</td>
<td>+13.6</td>
<td>+6.0</td>
<td>+7.5</td>
<td>+5.3</td>
</tr>
<tr>
<td>Litres per person</td>
<td>6.0</td>
<td>6.3</td>
<td>7.0</td>
<td>8.0</td>
<td>8.4</td>
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<td>9.4</td>
</tr>
<tr>
<td>% of all soft drinks</td>
<td>2.7</td>
<td>2.8</td>
<td>3.0</td>
<td>3.3</td>
<td>3.6</td>
<td>3.8</td>
<td>4.1</td>
</tr>
</tbody>
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Source: Zenith International
Consumption of sports drinks fell by 5.6% to 170 million litres in 2014.

Consumption of energy drinks grew by 5.3% to 600 million litres in 2014.

Source: Zenith International
About the soft drinks industry

Soft drinks and UK manufacturing

The soft drinks industry is a major contributor to the UK economy through investment in skills, innovation, jobs and economic growth.

- Contributes around £7.7 billion to the UK economy - £1.4 billion directly from investment and spending.
- Supports 135,000 jobs in the UK, around 20,000 of these directly within soft drinks companies, and 115,000 through the wider supply chain.

Soft drinks and health

The soft drinks industry is committed to helping consumers make good choices and live healthier lives. Our members have already made substantial changes to their product ranges, through reformulation, introducing low and no sugar options, offering a wider range of portion sizes and through innovative marketing campaigns.

Soft drinks and sustainability

The soft drinks industry is committed to reducing its environmental impact, by changing packaging design, encouraging recycling and cutting waste. The soft drinks industry and its supply chain is leading the way in resource efficiency through its soft drinks sustainability roadmap, working in partnership with Defra, WRAP and 40 signatories from industry.

The roadmap aims to set out opportunities for companies to reduce their environmental impact, use resources more efficiently and promoting best practice in the sector.
About BSDA

The British Soft Drinks Association is the national trade association representing the collective interests of producers and manufacturers of soft drinks including carbonated drinks, still and dilutable drinks, fruit juices and bottled waters.

Main membership benefits include:

• Information, advice and advance warning on all aspects of the industry, including technical standards, best practice and legislation to ensure good planning.

• Participation in the development of Codes of Practice and initiatives to promote the industry’s reputation and demonstrate social responsibility.

• Assistance and advice on incident management.

• The opportunity to network with industry colleagues at BSDA meetings and events and influence policy-making.

• Access to and representation by our European Associations: UNESDA, AIJN and EFBW.

• Inclusion in BSDA’s online listing of manufacturers and suppliers and access to Member only website.

• A range of courses tailored to the industry with substantial discounts for members.