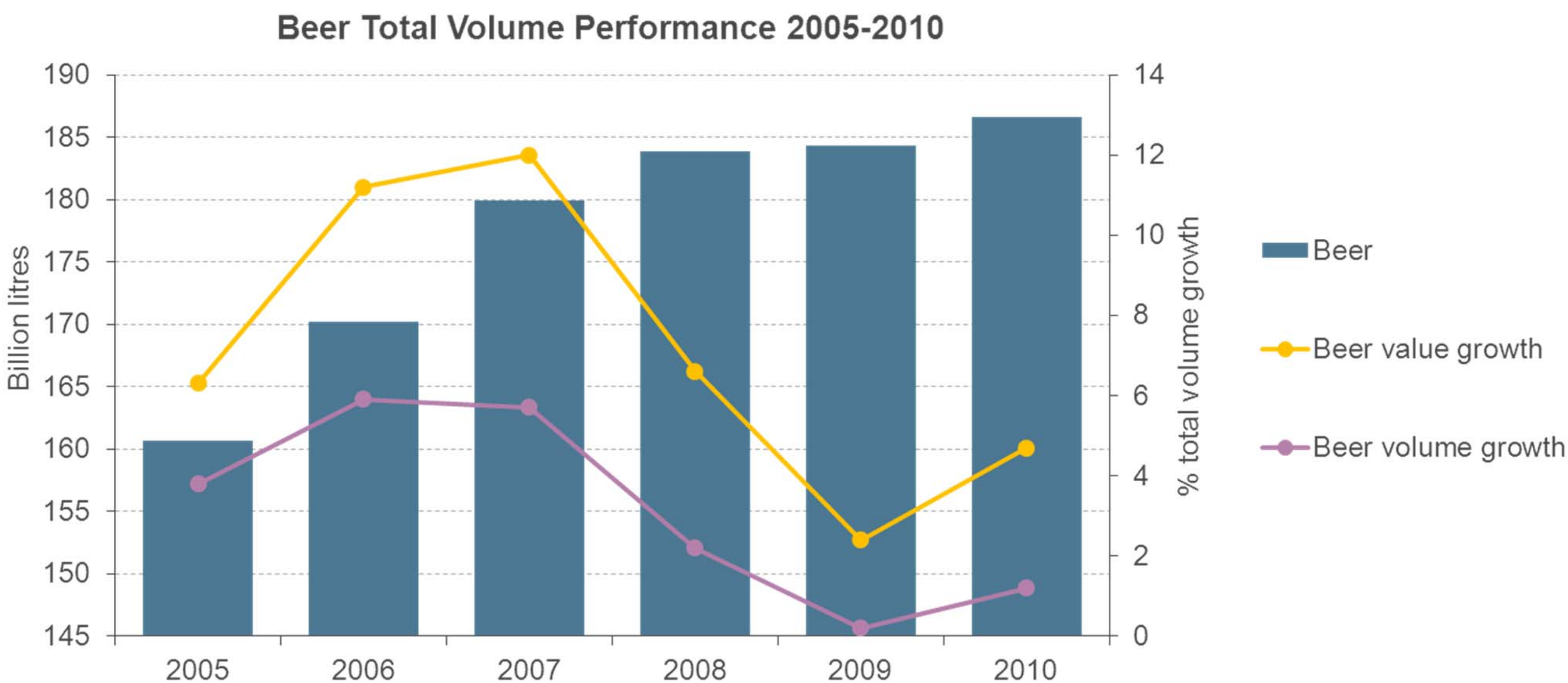
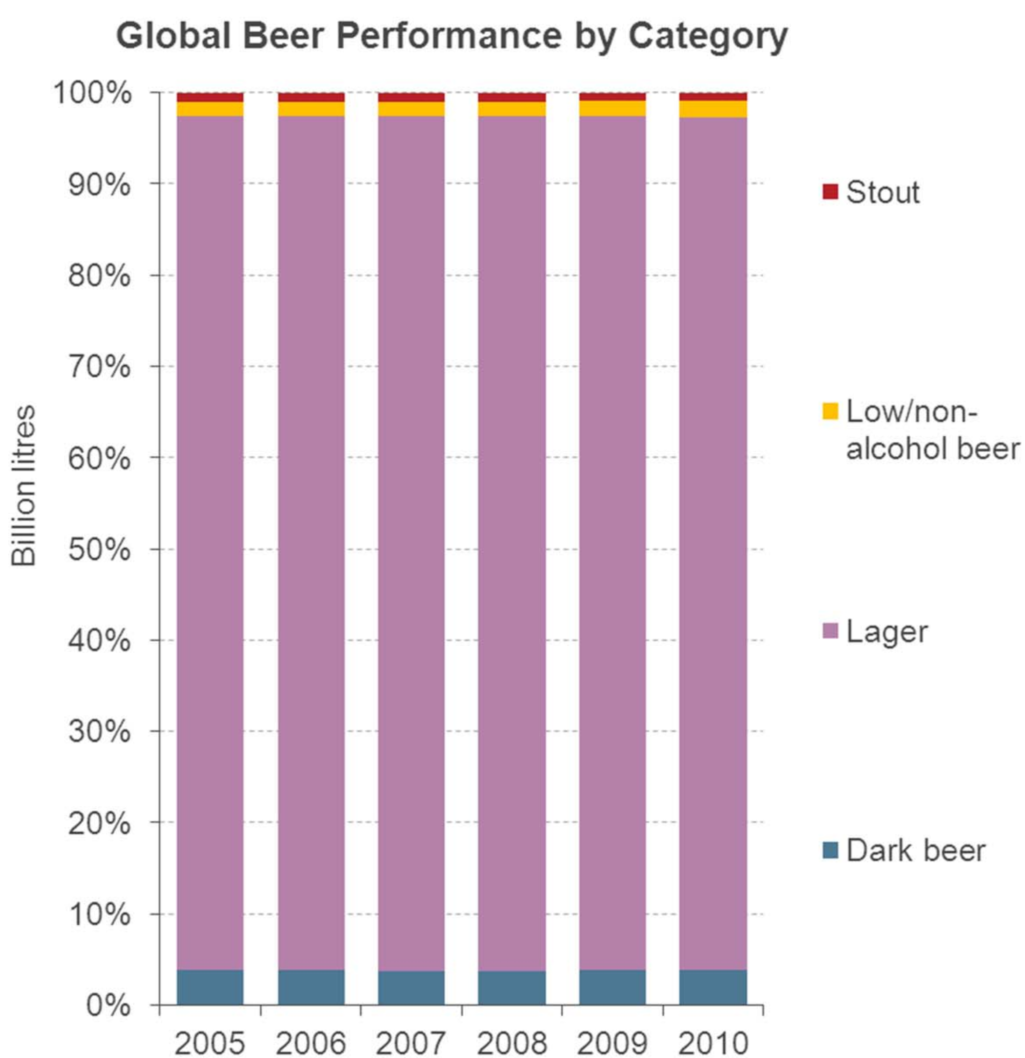
# Beer sales pick up in 2010 after the slowdown in 2009

- Global beer volume growth picked up again in 2010, after flat sales in 2009, with volumes growing by over 1%. It appears that recovery is on its way.
- Although 2010's performance represented a significant improvement on 2009, growth has not returned to pre-recessionary levels yet.
- Volumes stood at 187 billion litres in 2010, making beer the largest category in the alcoholic drinks industry representing 78% of volume sales, compared to wine and spirits which represented 11% and 8%, respectively.
- The stagnation in 2009 and still relatively low growth in 2010 was mainly caused by Eastern Europe, North America and the saturated Western European region, which all saw declines in both years.

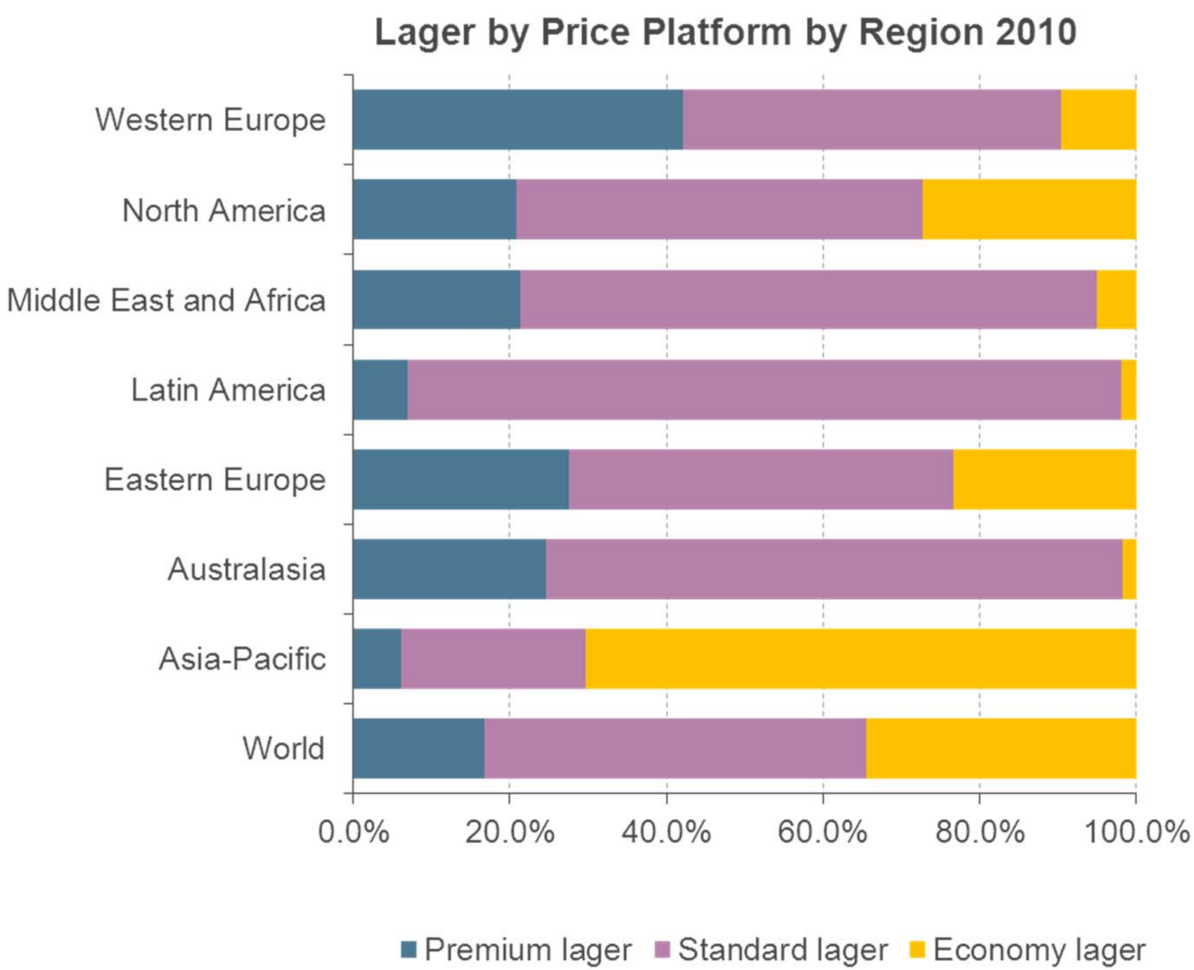


# Lager dominates the beer category




- Lager is by far the most important beer type, accounting for 93% of global beer sales by volume and 91% by value in 2010.
- Although sales remain small compared to lager, low-/non-alcohol beer was the best performing category in beer in terms of both volume and value growth in 2010, with volume sales increasing by 6%, compared to 1% for lager. The category benefits from the current drive to consume less alcohol, and stricter drink-driving regulations in many countries.
- Stout is the smallest category in beer representing less than 1% of beer volumes in 2010. Falling consumption of stout in the key markets of Ireland and the UK has contributed to overall volume stagnation on a global level.
- Although dark beer suffers from an old-fashioned image in many traditional beer drinking markets, it has seen growth overall, driven by the popularity of wheat beer among younger consumers looking for sweeter and milder tastes, and also craft beers, many of which are dark beers. These are becoming increasingly popular in developed markets, such as the US and the UK.

# Standard lager dominates in all regions except Asia-Pacific




- Standard lager is by far the most popular price platform within lager representing almost 50% of global volume sales in 2010.
- The majority share standard lager holds is replicated when looking at all other regions, with the exception of Asia-Pacific, where economy lager leading the way with a 70% volume share, largely due to the large beer consuming markets of China and Japan.
- Unlike the UK, the US, Germany and other major importers, where domestic beer dominates and beer is imported by choice and tends to be premium, in countries such as Bosnia-Herzegovina, Belarus and Georgia, which have a higher share of imported versus domestic lager, the brands that are imported feature standard and economy products more prominently in the mix.

Note: Premium, standard and economy lager are categorised primarily on price, but also with consideration to packaging and positioning. Classification is made on a country by country basis. This means that some brands with a higher abv and therefore a higher price, eg Tennant's Extra in the UK, are classified according to positioning, which in this case is in the economy segment.

# Asia-Pacific and Western Europe dominate

- Asia-Pacific and Western Europe are the key regions for beer by both volume and value.
- While Asia-Pacific is the major region in volume terms (accounting for 34% of global sales), value sales in the region account for only 25% of global sales, indicating the relatively low unit price of beer in the region (economy lager makes up the bulk of volumes, at 70% in 2010).
- Conversely, Western Europe accounts for 15% of global volumes but 26% of values, indicating the extent of premiumisation in the region over the review period. (Standard and premium lager constituted 74% of volumes in 2010, and the region has a relatively high share of other types of beer besides lager compared to other regions.)
- Despite the large size of the Asia-Pacific market, it offers potential for future growth. As well as being the most dynamic region in volume terms (average annual growth of 7% between 2005 and 2010), per capita, consumption of beer, at 17 litres, is well below the global average (27 litres in 2010).

# Emerging markets set to remain most dynamic

## Beer Forecasts by Country 2010-2015