Beverage Containers

US Industry Study with Forecasts for **2012 & 2017**

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The Freedonia Group
767 Beta Drive
Cleveland, OH • 44143-2326 • USA
Toll Free US Tel: 800.927.5900 or +1 440.684.9600
Fax: +1 440.646.0484
E-mail: info@freedoniagroup.com

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Table of Contents

(continued on next page)

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US Industry Study with Forecasts for ***2012 & 2017***

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Table of Contents

COMPANY PROFILES

List of Tables/Charts

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

MARKETS

CONTAINER OVERVIEW

PLASTIC CONTAINERS

METAL CONTAINERS

GLASS BOTTLES

PAPERBOARD CONTAINERS

INDUSTRY STRUCTURE

Beverage Containers

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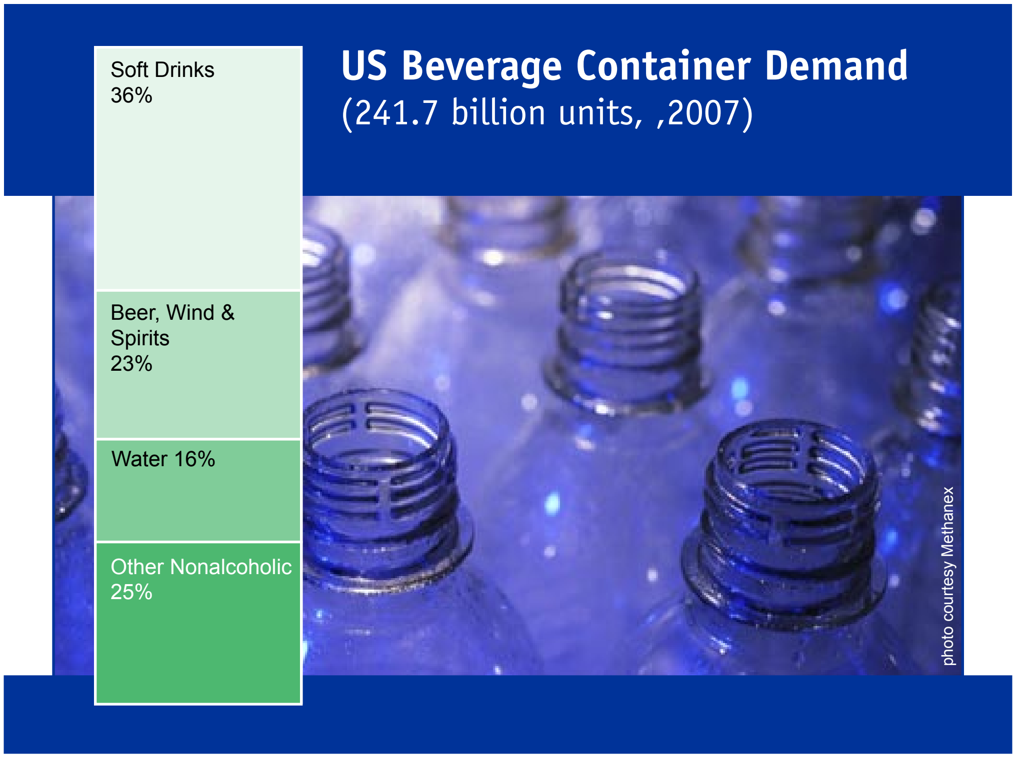
Unit gains will be driven by continued preference for single-serving containers, growing interest in enhanced or functional beverages and many new aggressively marketed products.



US demand to reach 272 billion units by 2012

US demand for beverage containers is projected to increase 2.4 percent per annum to 272 billion units in 2012. Unit gains will be driven by continued consumer preference for single-serving containers in many markets, growing interest in enhanced or functional beverages and high levels of new product introductions accompanied by aggressive marketing efforts. Additionally, favorable demographics, such as healthy expansion of the older population groups, will stimulate demand for certain beverages (e.g., wine) and related containers.

Plastic containers to remain best prospects

Plastic containers, which held 61 percent of total gallons packaged in 2007, will continue to be the fastest growing segment of the beverage container market, having captured a substantial share of the market from traditional metal, glass and paperboard containers over the past several decades. Advances will be buoyed by continued healthy growth for PET bottled waters despite environmental concerns related to plastic bottle usage. The use of single-serving PET bottles has been a key factor in positioning water as an alternative to soft drinks. Healthy growth is also expected in markets such as sports drinks, ready-to-drink (RTD) tea and other nonalcoholic RTD beverages, where the shatter resistance, light weight, resealability and portability of plastic bottles make them appealing for on-the-go consumption.

Metal containers, the second leading beverage container type in volume terms due to widespread use in the sizable soft drink and beer markets, will register minimal growth as a result of declining soft drink and beer production. However, good prospects are expected in fast-growing beverages such as energy drinks and eight-ounce soft drink cans. Demand for aluminum bottles will increase rapidly from a low base due to their upscale appearance, which provides a key element of product differentiation in markets such as beer.

Glass container demand will expand modestly, helped by the entrenched position of bottles in wine packaging and robust gains in markets such as RTD tea and other nonalcoholic RTD beverages, where glass' premium image continues to be a marketing advantage. Demographic trends, particularly above-average growth in the 55 years and over population, which is a significant demographic for wine consumption, will also aid glass container demand despite heightened competition from other container types. Declining demand for paperboard containers will be partially offset by healthy growth for soymilk, which utilizes a significant amount of paperboard containers, and for bag-in-box wine containers.

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Sample Text, Table & Chart

TABLE VIII-1

PAPERBOARD BEVERAGE CONTAINER DEMAND BY TYPE
(billion units)

Item	1997	2002	2007	2012	2017
Packaged Beverage Prdn (bil gal)	[illegible]	[illegible]	[illegible]	[illegible]	46.1
% in paper	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beverages Packaged in Paper (mil gal)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ounces/unit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paperboard Beverage Containers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cartons	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aseptic Boxes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Composite Cans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bag-In-Box	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
% paperboard	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Beverage Container Demand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
cents/unit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paperboard Bev Containers (mil $)	[illegible]	[illegible]	[illegible]	[illegible]	1540

SAMPLE TABLE

PLASTIC CONTAINERS

Distilled Spirits -- Demand for plastic distilled spirits ... ough pouches are now being used ... percent annually through 2012 t... formance benefits offered by PET ... resistance, ease of processing an... tensively used in the larger 1.75-l... egment. For example, in March 2... rcialized the first PET distilled spi... with a built-in handle. The 1.75-L PET bottle, supplied by A... Packaging, is used for McCormick Distilling's vodka and rep... technological achievement that overcomes the difficulty of b... around a built-in handle. In 2006, White Rock Distilleries tr... from glass to PET bottles for its 1.75-L PINNACLE vodka c... order to eliminate the costs associated with importing glass b... Italy. Moreover, in June 2008 White Rock Distilleries comm... the first opaque black PET bottle for distilled spirits. The 1.75-L bottle, which is used for the company's RYAN'S IRISH STYLE CREAM LIQUEUR, is produced by Amcor PET Packaging and represents a technological innovation, as the dark, opaque coloring of the container absorbs heat much differently than standard clear PET, requiring a more advanced blow molding process.

SAMPLE TEXT

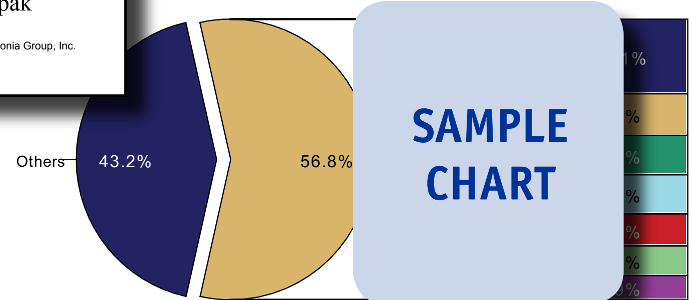
PET is also making further inroads in smaller bottle sizes, where the resin's light weight and shatter resistance are extremely attractive to airlines and consumers concerned with portability. Amcor PET Packaging is a leading supplier of PET liquor bottles in these sizes, offering bottles in 50-, 200-, 330-, 375- and 500-milliliter (ml) sizes. Many of these containers are in standard round bottle configurations, while others are available in flattened flask designs.

In addition to Amcor PET Packaging, producers of plastic distilled spirits bottles include Captive Plastics, Graham Packaging, Plastipak

188

CHART IX-1

...VERAGE CONTAINER MARKET SHARE, 2007
($22.5 billion)



SAMPLE CHART

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Sample Profile, Table & Forecast

TABLE III-3

PACKAGED CARBONATED SOFT DRINK PRODUCTION BY MATERIAL (million gallons)

Item	1997	2002	2007	2012	2017
Resident Population (million)	[illegible]	[illegible]	[illegible]	[illegible]	32.2
gallons per capita	[illegible]	[illegible]	[illegible]	[illegible]	.0
Carbonated Soft Drink Consumption	[illegible]	[illegible]	[illegible]	[illegible]	00
- net imports	[illegible]	[illegible]	[illegible]	[illegible]	00
Carbonated Soft Drink Production	[illegible]	[illegible]	[illegible]	[illegible]	00
% packaged	[illegible]	[illegible]	[illegible]	[illegible]	7.9
Packaged Soft Drink Production	[illegible]	[illegible]	[illegible]	[illegible]	00
Plastic	[illegible]	[illegible]	[illegible]	[illegible]	90
Metal	[illegible]	[illegible]	[illegible]	[illegible]	50
Glass	[illegible]	[illegible]	[illegible]	[illegible]	60

SAMPLE TABLE

COMPANY PROFILES

NOVAPAK Corporation
Two Industrial Way West
Eatontown, NJ 07724
732-542-0060
http://www.pv

Annual Sales
Employment:

Key Products [illegible] polyethylene and polyvinyl

SAMPLE PROFILE

NOVAPAK Corporation, formerly PVC Container Corporation, is engaged in the manufacture and sale of bottles and other containers made from polypropylene, polyvinyl chloride (PVC), high density polyethylene (HDPE), low density polyethylene, medium density polyethylene and polyethylene terephthalate (PET). Kirtland Capital Partners II LP (Willoughby, Ohio) holds a majority 58.4-percent stake in the Company. In April 2006, the Company filed a suspension of duty to file reports form with the US Securities and Exchange Commission.

The Company participates in the US beverage container industry through the production of PET, HDPE and PVC bottles suitable for beverage packaging. For example, NOVAPAK's PET containers include 12- and 20-ounce hot-fill types, while HDPE beverage containers encompass 64-ounce handled oblong jugs. Among the Company's PVC bottles are handled oblong jugs ranging in size from 64 to 128 ounces. In addition to these designs, the Company manufactures beverage containers in a variety of other styles, including recessed Boston round, decanter round, cylinder round, water bottle and 375- to 750-milliliter wine types.

166

"Aluminum cans will continue to dominate the carbonated soft drink market in unit terms over the next decade despite PET bottles leading the market in terms of soft drink packaging by volume. Demand for aluminum cans in the soft drink market will decrease to 56.1 billion units in 2012, continuing a long-term trend as soft drink production declines in the face of growing concerns over the link between soft drinks and health problems such as obesity."
--Section VI, pg. 205

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Other Studies

Paper Versus Plastic in Packaging

This study analyzes selected US markets where plastic and paper packaging compete. It presents historical demand data (1997, 2002, 2007) and forecasts for 2012 and 2017 by product (e.g., cartons, bottles, retail bags and sacks, protective packaging, tubs and cups, trays, shipping drums and sacks) and market (e.g., produce, meat, poultry and seafood, milk, dairy products, fruit beverages, candy and confections, egg cartons). The study also considers market environment factors, evaluates market share and profiles industry players.

#2443 .... 01/2009..................... $4700

Cups & Lids

US demand for cups and lids will advance 4.3% annually through 2012. Drinking cups will remain the dominant cup type while packaging cups will grow the fastest. Growth in lids will outpace cups as more drinking cups use lids, especially higher-value specialty lids. Foodservice will remain the dominant market while food packaging grows more rapidly. This study analyzes the $6.3 billion US cup and lid industry, with forecasts for 2012 and 2017 by product and market. It also details market share and profiles major players.

#2429 .... 11/2008..................... $4600

Plastic Containers

US plastic container demand will grow 5.4% annually through 2012, driven by plastic's many advantages over other packaging media. Plastic bottles and jars will remain the dominant category, while other types such as plastic cans and squeeze tubes grow the fastest. PET will continue as the leading plastic container resin. This study analyzes the 13.5 billion pound US plastic container industry, with forecasts for 2012 and 2017 by resin and product. It also evaluates company market share and profiles industry competitors.

#2378 .... 07/2008..................... $4600

Pouches

Demand for pouches in the US will climb 6.1% annually through 2012. Stand-up pouches will exhibit robust advances, while flat pouches will post healthy gains in a number of markets. The largest market, food and beverages, will continue to experience healthy growth. This study analyzes the US market for pouches, with forecasts for 2012 and 2017 by product and market. It also considers market environment factors, evaluates company market share and profiles industry participants.

#2367 .... 06/2008..................... $4700

Caps & Closures

US demand for caps and closures will rise 4.9% annually through 2012. Gains will be bolstered by the popularity of value-added designs such as child-resistant and dispensing closures. Gains will be supported by the continuing growth of closure-intensive plastic packaging at the expense of closureless containers like metal cans. This study analyzes the $7.6 billion US cap and closure industry, with forecasts for 2012 and 2017 by material, product and market. It also evaluates market share and profiles industry competitors.

#2354 .... 06/2008..................... $4700

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