Zenith Report on West Europe Coolers

June 2009

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Introduction

Zenith International has produced a range of reports covering a diverse range of markets within the global beverage industry over the last 18 years. Reflecting the increasingly intertwined nature of the bottled water cooler and point of use (POU) industries, Zenith has for the first time, combined its two market leading West Europe bottled water cooler and point of use reports, into one essential report, the 2009 West Europe Coolers report. Earlier this year we released our 2009 report on UK water coolers.

In producing our reports, we aim to contact every significant company active in the appropriate sector and to provide as complete a picture as possible at a price accessible to any business with a serious commercial interest. West Europe Coolers 2009 contains up-to-date profiles on the current top 125 companies, while text, charts and tables provide analysis of recent market developments. We are particularly grateful for the help we have received from these companies in compiling this report.

We hope that you find West Europe Coolers 2009 a useful tool in your business planning. We update our research on a regular basis and always welcome any comments or suggestions about possible improvements.

Mark Groves	Charmaine Holmes
Director	Senior Market Analyst
Zenith International	Zenith International

SPAIN

Market size

Spain's cooler market, both bottled water and POU units combined, saw a 5.7% rise in its installation base in 2008, with the total 260,800 coolers putting the country in fourth ranked position on the West European scale with a 9.4% share of the overall market.

Of the total Spanish cooler base, mains-fed POU units accounted for 10.2% of the market (26,600 units), significantly below the regional average of 33% and confirmation of the country's keen continued bottled water culture. However, POU is making relative gains; its penetration in terms of units per thousand of the population has more than doubled over the past five year period (2004-2008) rising from 0.23 in 2004 to 0.60 in 2008, whilst that of the well established bottled water sector has risen by a more modest, but still significant, 70% from 3.61 units per thousand of the population in 2004 to 5.25 units in 2008.

Unlike a number of West Europe's bottled water cooler markets that experienced a decline in unit placements during 2008, the Spanish market registered a 4.2% increase to 234,200 units last year, placing the country in third position behind the UK and France. Water through these coolers showed a marginally lesser increase of 3.9% with 205 million litres consumed over the course of the year. Spain, having registered strong double-digit volume gains in 2004-2007, nevertheless ranked in third position on the West Europe scale of compound annual growth in bulk and water cooler consumption.

Bottled water versus point of use markets

Unlike other cooler markets in West Europe where POU is eating into the bottled water market at a substantial rate, growth in the Spanish POU market, although strong at 21.7% in 2008, is arguably more restrained than some countries, due to the country's commitment to bottled water.

The national attitude towards tap water is paradoxical in so far as water is considered as both a precious commodity and of poor quality. Political debate on water consumption is thought to be at its fiercest in Spain, a country that some scientists fear could effectively be a desert by 2057 as a result of global warming. Although reforms to improve water usage are already under way, there remains the problem of agriculture subsidising, an activity that accounts for two thirds of the country's water consumption.

Spanish consumers are said to be very aware of the difference between non-filtered and filtered tap water, facilitating robust growth for the water filtration industry each year and allowing POU manufacturers to offer broad product portfolios. The installation of under sink water filtration systems is common, with reverse osmosis (RO) systems the most prevalent, although there appears to be a slight trend away from under sink towards POU, according to industry suppliers.

Industry structure – distribution

Main distributors BWC:	Viva Aqua Service Spain
	SEMAE SLU (Acquajet)
	Eden Springs (España) SA
	Manantial de Salud SA
	Compañia de Aguas BelNature SL
	Culligan España SA
	Distribuciones Automaticos de Bebidas y Alimentos (DABA) SA
	Distribuciones de Aguas Minerales SL (DAMI)

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Aqua System Blue Planet SL
Aqua Real
Servirreiner SL
Aqua Direct SL
Elis Barcelona

In March 2009, Culligan España SA was sold to Eden Springs (España) SA

Other distributors: Acquavida; Acuanat; Aefesa; Agua de Sant Climent SL; Aguas de Guayadeque-Grupo PICSA; Aguas Sierra Del Aguilla; Aigua del Montseny (Casmevin); Aquastil; Arcoiris; Cidete Ingenieros SL; Difriho; Dolphin Fresh Water Company (Spain); Fuente Fresca; Fuente Isabel SL; Garcia Sorribes; Haimifresh SL; JM Automatic SL; Jovani Sans Group; Lumestic; Manatiales de Extremadura SA; Naarden Orontana SA; Nos Carbo; Oswald & Klose SL; Palomares Tornero; Repcer SL; Todagua; Vulcano; Water Cooler Zamora; Watercooler Co SL; Waterlink

In 2008 Eden Springs (España) SA acquired distributor Bodega Natural.

Main distributors POU:
Ionfilter
Aguaviva
Compañía Europea del Agua
Cool Oasis
Canaletas SA
Osmoaqua Business SL
Eden Springs Espana
SEMAE SLU

Other distributors: ATH; Uniagua Soriano SL; Aquapurif; Hidro-Water; Todagua

Industry structure – production

Main bottlers:
Viva Aqua Service Spain
Acquajet/SEMAE (La Paz/other brands)
Eden
Compañia de Aguas (BelNature brand)
Manantial de Salud (Manantial de Sant Hilari brand)
Culligan
DAMI (Bejis brand)
Aqua Direct (Sant Aniol brand)
Elis (Blue River, formerly O'magic brand)
Servirreiner

Other bottlers: Aguas de Bronchales SA; Agua de Sant Climent SL; Aguas Sierra Del Aguilla; Aigua del Montseny (Casmevin); Aquaclara; Acuanat; Bell Agua; Dolphin; Font del Subirà

SPAIN

Market structure – bottled water coolers

Pack size: The 18.9 litre returnable polycarbonate bottle (often referred to as 19 litre for simplicity) remained the dominant packaging type in 2008, accounting for 76.8% of volume in 2008. Thanks to Font del Subirà and Viva Aqua Service, this was followed by the 20 litre bottle which held a 21% share of bulk water and cooler volume last year, with the remaining 2.2% split between returnable glass formats, through the supplier DAMI, or smaller (11.3, 12.6 or 13 litre) returnable polycarbonate bottles.

Outlets: Domestic bottled cooler placements accounted for just 2.4% of all installations in 2008, however this varied distinctly from company to company. The commercial setting is the main outlet type in Spain, however bottled cooler players recognise the benefits of a broad reach. While many have an office-dominated customer base, factories, shops and medical institutions are on the up, as they are for POU units. Amongst those driving bottled cooler placements in shops, medical or educational institutions, and other markets are companies such as DAMI and DABA.

Water types: Unlike the majority of West European markets where there are just one or two water types that emerge as the most preferred options, the Spanish bottled water cooler market is more broad, with mineral, spring, 'agua potable preparada (purified water) and eau de boisson from France all consumed. Mineral accounted for a 57.3% of overall bulk water share in 2008, purified water with 21%, spring with 20.8% and the imported eau de boisson with a small 1% share of volume.

The penetration of mineral water has declined very slightly over the last few years (down from 58.4% in 2005), due to the tendency amongst larger companies to distribute spring and/or purified waters (sometimes under a unified brand name). If such companies increase their hold on the market as expected, spring and purified-labelled waters are likely to gain further ground.

Legislation: In line with the recent EU-wide lifting on the 8 litre limit on all packaged goods destined for the domestic market, both the bottled and POU cooler markets may well see a continued improvement in their penetration of the in-home environment, with larger formats now allowed.

Market structure – point of use

Rented/sold: Spain's bias towards rental contracts for POU units increased by 10 percentage points in 2008, with 70% of units, or 18,620 machines, sold under this arrangement. Examples of players offering solely rental options are Todagua and Culligan Spain. Amongst those attributing 95% or more of unit placements to one-off sales are Canaletas, Uniagua, Hidro-Water, Puricom and Osmoaqua, with 30% of POU unit sales falling into this category last year.

Outlets: In 2008, and for the second year running, the domestic sector was ahead of the commercial sector as the dominant market for POU. In Spain, in-home POU placement represented a 43% market share in 2008, up three percentage points on 2007, while offices slid to 35% and factories, institutional establishments, such as hospitals, schools and local authorities, retail and horeca are on the up. Cool Oasis and Osmoaqua are among those most active in this sector and pushing to broaden their reach.

SPAIN

Market characteristics

BWC/POU conversion: Unlike other West European markets, evidence that POU is replacing bottled water coolers is more limited in Spain. Since the introduction of POU, the bottled water cooler conversion rate has remained fairly static and was around the 40% mark in 2008. Whilst the reach of POU was initially confined to Southern Spain and the Balearics, this has now crept to other geographic locations such as Oviedo, Cordoba, Seville, Madrid, Alicante and Barcelona. The localised nature of some POU businesses in hot spots such as Madrid and the Eastern coastline facilitates new business development; this stood at 60% of units last year.

Machine types: Hot/cold units, which are highly popular in Spain by around four times the regional average, remained the preferred machine type in 2008, accounting for the overwhelming 80% majority of all installations. The hot/cold option is a trend that is clearly client-led but is offered by almost all distributors, some of which, namely market leader Ionfilter, are now starting to offer hot/cold/ambient as a popular option for customers.

Price structure and revenue indicators: According to category operators, price-related activities within the bottled cooler segment are aggressive, particularly at the lower end of the market, with price, quality and service level key to winning accounts. In order to keep prices as low as possible, operators offering low priced, poor quality units from Asia are infiltrating the market, with other operators even offering water on free trials to win new business. Price pressures are also in play in the Spanish market due to the increasing presence of Internet-only companies such as Aqualita.

Pricing within the POU cooler arena, however, is more stable, although not as stable as in previous years according to some category players. The growing range of machines available, progress in the domestic sector, and a general move towards seeking new accounts rather than bottled cooler conversion are likely to be having a bolstering effect on prices.

Based on average cooler revenues of €362 per year, Spain's bottled water cooler market reached an estimated value of €84.9 million in 2008. Of this, water generated 68.4% whilst rental accounted for 31.6%. In terms of POU, based on average monthly rentals of €40 and an average sale price of €725, the estimated value for this market sector was just under €9 million.

Maintenance and additional services: Services such as sanitisation and filter changes are usually conducted at six month intervals, although this is not compulsory and some larger organisations are able to service units themselves and purchase filter cartridges from their suppliers.

Although they have not been met with much demand in the past, an increasing number of companies are now adding additional options such as teas, coffees and syrups to their product portfolios, with a number of leading bottled water cooler companies offering coffee machines such as Nespresso, Illy and Saeco models.

Bottled cooler market characteristics

Throughput: In terms of litres per cooler year, this figure fell by 3.8% from its 2007 base of 929 litres to 893 litres in 2008, putting Spain in fifth ranked position on the West European scale.

Cancellation rates: The rate at which clients cancelled contracts with their cooler suppliers increased in 2008 as a result of companies closing and accounts being picked up by other operators. The global economic crisis also had a dampening effect on business during the year, with the cancellation rate at 12% for the year.

Contract lengths: Contract lengths with Spanish bottled cooler operators are generally around the two year mark, which is lower than the West European average.

SPAIN

Main features and trends of the market in 2008/9

- In spite of the worsening global economic crisis, Spain's GDP grew by 1.2% in 2008, but, with the country officially entering into recession at the end of January 2009, is expected to contract by 4.3% in this year and by 1.3% in 2010. The Spanish economy also struggles to deal with excessive levels of private debt and an over-extended construction sector, coupled with markedly weaker demand from key export markets in the EU and the US.

- With a comparatively high inflation rate by Western European standards and low GDP per capita, the economic foundations are not as robust as many industry incumbents would wish, with growth within both the bottled and POU cooler markets being held back. Some POU operators have reported the return of many rented units, and have struggled to replace these lost accounts with new orders. With the exception of Barcelona, the Mediterranean coast is undergoing economic stagnation and affecting POU.

- Accepting industry variations from region to region has been an important consideration for bottled cooler multinationals, particularly with regards to differences in pricing structure, product range, and throughput expectations linked to local weather. Scarce rainfall during the first few months of 2008 was followed by good weather in June and July and by a hot and sunny August and September.

- For cooler operators with activities spanning a large geographic remit, a chief concern is the rising cost of fuel. Although Spain ranks at the lower end of the European scale in terms of price per litre, the country's fuel prices are rising at a significant rate. On this basis, the appeal of POU, without the same logistical implications as the bottled cooler sector, may stand more of a chance against such pressures.

- With 2005 reaching a national record for the driest year (484mm of rainfall), the past few years have been relatively wetter. Given the number of competitive products on the market, POU players are susceptible to the negative impact of a wetter and cooler year. However, in a country with a shortage of rainwater, the quality of drinking water is becoming increasingly problematic. Compromised water resources, particularly in Southern Spain, are increasing non-reverse osmosis (RO) system uptake at the expense of 'wasteful' RO systems. The Spanish market for POU should therefore increase significantly over the coming years.

- Despite the determined efforts of certain companies (such as Culligan and Waterlogic) to promote their environmentally friendly activities in other markets, the promotion of POU's eco credentials is minimal in Spain, most likely a result of poor water quality and the need for water filtration devices. Whilst the 'carbon footprint' message is clearly communicated in other industrial sectors in Spain, POU industry operators have not yet recognised it as a necessary or appropriate marketing vehicle, nor have they recognised the potential leverage it may attain.

Forecast to 2013

In terms of its bulk water and cooler consumption, Spain is expected to grow by 19% over the next five year period to reach a level of 244.0 million litres by the end of 2013. This will put the country in second position on the West European scale, overtaking France which currently holds this ranking, and is comparatively higher than other markets due to the market's relative resistance towards POU.

In terms of bottled water cooler unit placements, these are also expected to see an almost 19% rise over the 2008-2013 timeframe to reach an estimated total installation count of 278,500 by the end of the review period.

SPAIN

In terms of the mains-fed cooler industry, many operators are not anticipating growth in 2009 and are just concerned with maintaining their market share. However, over the longer-term, being as the market for POU is still small, high growth rates are still expected and the market is predicted to have reached an installed base of 50,200 units by 2013, an 89% increase on its 26,600 level in 2008.

SPAIN OVERVIEW

1: POU AND BOTTLED WATER COOLER MARKET, 2004-2008

Units in December	2004	2005	2006	2007	2008	European % share 2008e	% change 2007-08
POU							
Units	9,850	11,900	16,900	21,850	26,600	3.1	+21.7
Units per thousand people	0.23	0.27	0.39	0.49	0.60	-	+20.9
Bottled water coolers							
Units	154,700	178,000	200,200	224,840	234,200	12.6	+4.2
Units per thousand people	3.61	4.10	4.56	5.08	5.25	-	+3.4
Total coolers (1)							
Units	164,550	189,900	217,100	246,690	260,800	9.6	+5.7
Units per thousand people	3.85	4.38	4.95	5.57	5.85	-	+5.0
POU % share of total coolers (1)	6.0	6.3	7.8	8.9	10.2		

(1) POU water coolers and bottled water coolers

Source: Zenith International

SPAIN BOTTLED COOLERS

2: LEADING WATER COOLER COMPANIES, 2004-2008

Machines in December	2004	2005	2006	2007	2008e	% share 2008e	% change 2007/08
Viva Aqua Service Spain SA (1)	32,800	41,500	51,000	62,000	63,000	26.9	+1.6
SEMAE SLU (Acquajet)	28,000	35,000	38,000	47,300	48,000	20.5	+1.5
Eden Springs (España) SA (2)	33,200	30,830	34,800	34,340	35,830	15.3	+4.3
- Montaña Azúl (Eden) (3)	-	-	-	-	-		
Manantial de Salud SA (4)	14,000	16,800	19,850	23,290	23,400	10.0	+0.5
Compañia de Aguas BelNature (5)	15,000	16,300	16,300	16,300	16,300	7.0	-
Culligan España SA	8,500	9,000	9,460	9,455	8,000	3.4	-15.4
DABA SA	4,000	5,300	5,500	6,200	6,500	2.8	+4.8
Aqua System Blue Planet SL	2,550	3,100	3,475	6,050	6,300	2.7	+4.1
Agua de Bronchales	4,600	5,000	5,400	5,700	6,000	2.6	+5.3
Todagua Almacenaje Y Distribucion SA	1,500	2,700	4,000	5,000	5,000	2.1	-
Servirreiner SL	1,600	1,800	2,370	2,760	2,900	1.2	+5.1
Aqua Real	2,300	2,600	2,700	2,800	-	-	-100.0
DAMI SL	4,200	4,600	4,600	2,500	2,800	1.2	+12.0
Elis Barcelona	1,650	1,710	1,915	2,510	2,600	1.1	+3.6
Aqua Direct SL	1,800	2,200	2,300	-	-		
Others (6)	-1000	-440	-1470	-1365	7,570	3.2	-654.6
Total market	**154,700**	**178,000**	**200,200**	**224,840**	**234,200**	100.0	+4.2

(1) Spanish Premium Aqua rebranded Viva Aqua Service Spain SA in 2006
(2) Madrid operation and 25% of Barcelona base sold to Eden Springs May 2000 with remaining shares bought end 2001; all operations renamed Eden at start of 2002
(3) Wholly acquired by Danone Springs of Eden Apr 2004
(4) Includes coolers serviced by Fuente Fresca, 1998 to 2002, before acquisition by Manantial in 2003
(5) Includes franchisee-held units
(6) Acquavida, Acuanat, Aefesa, Agua de Sant Climent SL, Aguas de Guayadeque-Grupo PICSA, Aguas Sierra Del Aguilla, Aigua del Montseny (Casmevin), Aquastil, Arcoiris, Cidete Ingenieros SL, Difriho, Dolphin Fresh Water Company (Spain), Fuente Fresca, Fuente Isabel SL, Garcia Sorribes, Haimifresh SL, JM Automatic SL, Jovani Sans Group, Lumestic, Manatiales de Extremadura SA, Naarden Orontana SA, Nos Carbo, Oswald & Klose SL, Palomares Tornero, Repcer SL, Todagua, Vulcano, Water Cooler Zamora, Watercooler Co SL, Waterlink

Source: Zenith International

SPAIN BOTTLED COOLERS

3: LEADING WATER COOLER COMPANIES, 2004-2008

Million litres	2004	2005	2006	2007	2008e	% share 2008e	% change 2007/08
Viva Aqua Service Spain SA (1)	24.0	31.0	36.0	43.0	43.0	21.0	-
SEMAE SLU (Acquajet)	20.0	25.0	27.0	32.0	35.0	17.1	+9.4
Eden Springs (España) SA (2)	23.5	24.7	27.2	28.7	28.7	14.0	+0.3
- Montaña Azúl SA (Eden) (3)	-	-	-	-	-		
Manantial de Salud SA (4)	13.6	14.6	16.6	17.5	17.6	8.6	+0.6
Compañia de Aguas BelNature (5)	14.5	15.8	15.8	15.8	15.8	7.7	-
Vilas Del Turbon (DABA SA)	5.5	8.3	9.2	9.2	9.2	4.5	-
Culligan España SA	7.8	8.3	9.7	8.7	8.0	3.9	-7.9
Agua de Bronchales	4.1	4.6	5.0	5.3	5.4	2.7	+3.6
Todagua Almacenaje Y Distribucion SA	1.8	2.6	5.0	6.0	5.0	2.4	-16.7
DAMI SL	5.1	5.5	5.5	8.5	3.5	1.7	-58.8
Aqua System Blue Planet SL	2.8	3.3	3.8	2.8	2.8	1.4	-
Aqua Real	2.0	2.2	2.4	2.4	-	-	-100.0
Servirreiner SL	1.5	1.7	2.0	2.0	2.1	1.0	+2.5
Elis Barcelona	1.4	1.4	1.5	1.5	1.6	0.8	+3.3
Aqua Direct SL	1.4	2.0	2.3	-	-		
Others (6)	0.5	1.0	0.1	14.1	27.3	13.3	+93.8
Total market	**129.5**	**152.0**	**169.0**	**197.4**	**205.0**	**100.0**	**+3.9**

(1) Spanish Premium Aqua rebranded Viva Aqua Service Spain SA in 2006
(2) Madrid operation and 25% of Barcelona base sold to Eden Springs May 2000 with remaining shares bought end 2001; all operations renamed Eden at start of 2002
(3) Wholly acquired by Danone Springs of Eden April 2004
(4) Includes coolers serviced by Fuente Fresca, 1998 to 2002, before acquisition by Manantial in 2003
(5) Includes franchisee-held units
(6) Acquavida, Acuanat, Aefesa, Agua de Sant Climent SL, Aguas de Guayadeque-Grupo PICSA, Aguas Sierra Del Aguilla, Aigua del Montseny (Casmevin), Aquastil, Arcoiris, Cidete Ingenieros SL, Difriho, Dolphin Fresh Water Company (Spain), Fuente Fresca, Fuente Isabel SL, Garcia Sorribes, Haimifresh SL, JM Automatic SL, Jovani Sans Group, Lumestic, Manatiales de Extremadura SA, Naarden Orontana SA, Nos Carbo, Oswald & Klose SL, Palomares Tornero, Repcer SL, Todagua, Vulcano, Water Cooler Zamora, Watercooler Co SL, Waterlink

Source: Zenith International

SPAIN BOTTLED COOLERS

4: LEADING WATER COOLER BRANDS, 2004-2008

Million litres	2004	2005	2006	2007	2008e	% share 2008e	% change 2007/08
Viva Aqua Service	24.0	31.0	36.0	43.0	43.0	21.0	-
La Paz/others (Acquajet/SEMAE)	20.0	25.0	27.0	32.0	35.0	17.1	+9.4
Eden	23.5	24.7	27.2	28.7	28.7	14.0	+0.3
Manantial de Sant Hilari (1)	13.6	14.6	16.6	17.5	17.6	8.6	+0.6
BelNature	14.5	15.8	15.8	15.8	15.8	7.7	-
Font del Subirà	6.2	6.6	8.3	10.0	11.0	5.4	+10.0
Culligan	7.8	8.3	9.7	8.7	8.0	3.9	-7.9
Agua de Bronchales	4.1	4.6	5.0	5.3	5.4	2.7	+3.6
Bejis (DAMI)	5.1	5.5	5.5	8.5	3.5	1.7	-58.8
Sant Aniol (2)	1.4	2.0	2.3	2.8	2.8	1.4	-
Servirreiner	1.5	1.7	2.0	2.0	2.1	1.0	+2.5
Blue River (Elis)	1.4	1.4	1.5	1.5	1.6	0.8	+3.3
Others (3)	6.4	10.8	12.2	21.7	29.5	14.4	+36.0
Total market	**129.5**	**152.0**	**169.0**	**197.4**	**205.0**	100.0	+3.9

(1) Manantial de Salud

(2) Font Agudes until May 2004; (3) Branded as O'magic until 2006

(3) Including Bell Agua, Dolphin, Aquaclara, Aquaid, Sant Aniol, Acuanat, Agua de Sant Climent SL, Aguas Sierra Del Aguilla, Aigua del Montseny (Casmevin)

Source: Zenith International

SPAIN POU

5: POU WATER COOLER CONVERSION, 2008

	BWC Converted % share (1)	New POU % share (2)	2008 no. of converted units	2008 no. of new business units
Units added in 2008				
% share	40	60		
Number of units			1,900	2,850

Note: Estimates of added units in year based on industry sources
(1) Percentage share: POU unit replacement of bottled water cooler units in year
(2) Percentage share: newly generated POU cooler business in year

Source: Zenith International

6: POU UNIT DISTRIBUTION BY OUTLET, 2008

	Offices (1)	Factories (2)	Inst. (3)	Retail (4)	Domestic (5)	Others (6)
Total market in 2008						
% share	35	8	4	7	43	3
Number of units	9,310	2,128	1,064	1,862	11,438	798

Note: Estimates of total POU market as at December 2008 based on industry sources
(1) Small, medium and large offices and other business premises
(2) Factory floors and other manufacturing sites
(3) Institutions: including hospitals, schools and local authorities
(4) Shops and showrooms
(5) Domestic houses
(6) Others includes horeca (hotels, restaurants, catering)

Source: Zenith International

7: POU RENTED VS SOLD UNITS, 2008

	Rented units % share	Sold units % share	No of rented units	No of sold units
Total market in 2008				
% share	70	30		
Number of units			18,620	7,980

Note: Estimates of total POU market as at December 2008 based on industry sources

Source: Zenith International

SPAIN POU

8: POU WATER UNIT CHARACTERISTICS, 2008

	Hot-Cold	Cold/Ambient	Carbonated	Others
Total market in 2008				
% share	80	16	0	4
Number of units	21,280	4,256	0	1,064

Note: Estimates of total POU market as at December 2008 based on industry sources

Source: Zenith International

9: LEADING POU DISTRIBUTORS, 2005-2008

Units in December (1)	2005	2006	2007	2008	Europe % share 2008e	Country % share 2008e	% change 2007-08
Total market	**11,900**	**16,900**	**21,850**	**26,600**	**3.1**	**100.0**	**+21.7**
Ionfilter	3,500	6,020	10,600	12,700	1.5	47.7	+19.8
Aguaviva	-	1,500	3,250	5,000	0.6	18.8	+53.8
Puricom	na	3,300	4,000	5,000	0.6	18.8	+25.0
Compañía Europea del Agua (5)	2,800	3,500	3,850	4,120	0.5	15.5	+7.0
Cool Oasis	2,000	2,250	3,350	4,100	0.5	15.4	+22.4
Canaletas SA (5)	1,100	1,560	1,710	1,920	0.2	7.2	+12.3
Osmoaqua Business SL	800	1,000	1,470	1,600	0.2	6.0	+8.8
Eden Springs Espana	na	na	380	1,150	0.1	4.3	+202.6
SEMAE SLU	500	650	820	1,000	0.1	3.8	+22.0
ATH (5)	650	1,000	880	800	0.1	3.0	-9.1
Dinae Agua	na	na	na	490	0.1	1.8	-
Uniagua Soriano SL	na	350	450	380	0.0	1.4	-15.6
Aquapurif	na	na	300	275	0.0	1.0	-8.3
Hidro-Water (5)	na	270	255	180	0.0	0.7	-29.4
Todagua	80	120	150	150	0.0	0.6	-
Others (6)	6,770	2,880	7,685	8,285	1.0	31.1	+7.8
Adjustment (4)	(6,300)	(7,500)	(17,300)	(20,550)	(2.4)	(77.3)	+18.8

(1) All figures are cumulative and based on company interviews but should be considered Zenith estimates.
For figures marked 'na', Zenith may have received company figures but respected a request not to make public.
(2) Includes both direct sales to the end user and indirect sales to independent distributors.
(3) Includes acquisitions to year end 2008.
(4) Market adjustment for over/underestimation; reconciliation of indirect sales; and drop off of retired sold units.
(5) Units are only sold indirectly via independent distributors
(6) Includes units that are confidential, not available, and estimates of firms not listed, including dealer networks

Source: Zenith International

SPAIN POU

10: POU UNITS FORECAST, 2008-2013

Units in December	2008f	2009f	2010f	2011f	2012f	2013f	% change 2008-13
POU							
Units	26,600	31,450	36,250	40,950	45,600	50,200	+88.7
Units per thousand people	0.60	0.70	0.80	0.90	1.00	1.10	+84.1

Source: Zenith International

AGUAVIVA (SISTEMAS DE TRATAMIENTO DE AGUA S.L.)

Company Structure

Address: C/ Medea 4, 1B, 28034 Madrid, Spain
Tel: 0034 902 17 19 02
Website: www.aguaviva.eu **Email:** galvarez@aguaviva.eu

Ownership: JEDE ESPAÑA S.A
Senior management: General Manager, Gerardo Álvarez
Subsidiaries: Aguahome

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	-	-	-	1500	3250	5000
Direct supply	Spain	-	-	-	1500	3250	5000
Direct supply - rented	Spain	-	-	-	1400	3000	4500
Direct supply - sold	Spain	-	-	-	100	250	500

Marketing Analysis

Unit type %, 2008		Outlets %, 2008	
Hot-cold	20.0%	**Away From Home**	**100.0%**
Cold-ambient	80.0%	Offices	100.0%

Commentary

Aguaviva focuses on the placement of POU units in professional locations. The company supplies the Spanish market with Waterlogic machines. 80% of the machines supplied to end-users are free-standing models while the remainder are table-top units. Aguaviva reports that it is the sole dedicated-POU supplier in the Spanish market. Aguaviva has satellite offices in Madrid, Barcelona and Seville enabling it to reach nationwide with its unit distribution.

AQUAPURIF SYSTEMS S.L.

Company Structure

Address:	C/ Benahavis 3, Local 2 y 3 Edf. La Concha, Málaga, 29004, Spain		
Tel:	+34 (0) 902 998 321	**Fax:**	+34 (0) 952 235 870
Website:	www.aquapurif.com	**Email:**	info@aquapurif.com

Employees: 10
Related activities: Industrial and domestic water softeners

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	-	-	-	-	300	275

Marketing Analysis

Unit type %, 2008		Outlets %, 2008	
Cold-ambient	na	**Away From Home**	**100.0%**
Hot-cold	na	Homes	2.0%
		Offices	98.0%

Commentary

Aquapurif S.L. supplies a range of WonBong free-standing and table-top POU models as well as water fountains. The company focuses on the placement of POU units in professional, rather than domestic, accounts. In addition to its commercial POU activities, the company promotes industrial reverse osmosis (RO) units.

AQUA REAL

Category: Distributor

Company Structure

Address: Licores 169-170, Nave 26B, Poligono de Marratxi, 07141 Marrotxi, Los Baleares, Spain
Tel: +34 (0)971 604 202 **Fax:** +34 (0)93 345 3940
Email: alcuevas@worldonline.es

Ownership: Administration Council
Senior management: Director General, Alfonso Cuevas
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Font Del Subirà (Aqua Real)	Mineral	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Sales	Spain	1.7	2.0	2.2	2.4	2.4	2.4

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	2000	2300	2600	2700	2800	2800
Point of Use							

Marketing Analysis

Packaging (2008)		Outlets (2008)		Advertising (2008)
R Polycarb	**100.0%**	**Away From Home**	**100.0%**	Press, television, posters
18.9	100.0%	Factories	40.0%	
		Homes	10.0%	
		Offices	50.0%	

Commentary

Aqua Real was established in January 1994. Distribution covers the Balearic Islands and Valencia. Until the end of 2000, Aqua Real bottled its own purified water initially in an 18.9 litre bottle and subsequently in a 21 litre format, under the brand of the same name from a plant in the Balearics. At the start of 2001, the company started sourcing mineral water under the Font del Subirà brand, bottled under contract by Girona-based Font del Subirà. 2008 figures should be considered Zenith estimates.

AQUA SYSTEM BLUE PLANET SL

Category: Distributor

Company Structure

Address:	Cesar Martinell i Brunet, 30, Rubi, Barcelona, 08191, Spain		
Tel:	+34 (0)93 6994 960	**Fax:**	+34 (0)93 6975 228
Website:	www.asblueplanet.com	**Email:**	blueplanet@asblueplanet.com

Ownership: Lluis Parera
Senior management: Managing Director, Lluis Parera; Managing Director, Joan Riba Ferret
Employees: 42
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Font Del Subirà (Aqua System Blue Planet	Mineral	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Distribution	Spain	2.4	2.8	3.3	3.8	2.8	2.8
Sales	Spain	2.4	2.8	3.3	3.8	2.8	2.8

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own Point of Use	Spain	2200	2550	3100	3475	6050	6300

Marketing Analysis

Packaging (2008)		Outlets (2008)		Advertising (2008)
R Polycarb	**100.0%**	**Away From Home**	**100.0%**	Local press, Yellow Pages
18.9	100.0%	Factories	49.0%	
		Medical / Institutions	3.0%	
		Offices	45.0%	
		Others	1.0%	
		Shops	2.0%	

Commentary

Aqua System Blue Planet SL was established in December 1997 as a water cooler distributor operating in the Barcelona region under the name Blue Planet. The company was renamed in 2000. Having initially been supplied by Aqua Pyrénées from France, since the start of 1999 the company has been sourcing Spanish spring water from the French bottler's Montseny plant near Barcelona, which was opened at the end of 1998. In May 2001, the company switched to the Font del Subirà mineral water brand bottled in Girona. In November 2007, Aqua System Blue Planet merged with Aqua Direct. The figures indicated in this profile therefore, reflect the merged activities.

ATH - APLICACIONES TÉCNICAS HIDRÁULICAS SL

Company Structure

Address: 9 Juan Tornella y Urpina 31-35, Cervelló, Barcelona, 08758, Spain
Tel: +34 93 680 2222 **Fax:** +34 93 680 2202
Website: www.ath.es **Email:** ath@ath.es

Senior management: Francesc Redolad
Related activities: Water softeners, under-sink filtration systems, fountains
Non-related activities: Swimming pool filtration, irrigation controllers

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	250	750	650	1000	880	800
Indirect supply	Spain	-	-	-	-	880	800

Marketing Analysis

Unit type %, 2008		Outlets %, 2008	
Cold-ambient	na	**Away From Home**	**100.0%**
Hot-cold	na	Offices	100.0%

Commentary

ATH is a company dedicated to providing water treatment products, swimming pool equipment, reverse osmosis POU units and under sink systems for domestic use. The company was established in 1996 and imports its POU units from Woonjing Coway in Korea. ATH is based in Barcelona but distributes POUs nationally with an emphasis on the mediterranean and South coast of Spain.

COMPAÑIA DE AGUAS BELNATURE SL

Category: Bottler - Distributor

Company Structure

Address:	Parque Empresarial Plazaola, Carretera Guipuzcoa, S-N 31195 Aizoain, Navarra, Spain		
Tel:	+34 (0)90 2170 171	**Fax:**	+34 (0)90 2113 693
Website:	www.belnature.com	**Email:**	infoweb@belnature.com

Ownership:	65% Directors, 35% Huarte
Senior management:	Managing Director, Cristina Roncal
Employees:	50
Related activities:	
Non-related activities:	Coffee vending machines

Brand	Description	Pack type	Sizes (litres)
BelNature	Mineral	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production	Spain	13.0	14.5	15.8	15.8	15.8	15.8
Sales	Spain	13.0	14.5	15.8	15.8	15.8	15.8

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own Point of Use	Spain	13500	15000	16300	16300	16300	16300

Marketing Analysis

Packaging (2008)		Outlets (2008)		Advertising (2008)
R Polycarb	**100.0%**	**Away From Home**	**100.0%**	Newspapers, sponsorship
18.9	100.0%	Homes	14.0%	
		Offices	86.0%	

Commentary

Compañia de Aguas BelNature SL was established in 1992 as a vending company and began to market water coolers in Spain under the BelNature brand in the autumn of 1993. At first water was supplied from the UK by Crystal Spring. In 1995, however, BelNature developed its own source at Arteta to the north of Navarra. Franchises were established in San Sebastian in June 1994, Zaragoza in September 1994, Logroño and Vitoria in December 1994, then Valladolid in March 1995 and Gijón in north west Spain in 1997. Bilbao, Burgos and Santander were added later. The group's most successful operations are based in Navarra, Barcelona, Madrid, San Sebastian and Bilbao, all of which are now directly owned. In March 2001, the company moved to bigger premises in Aizoain. During 2002, BelNature built a new production plant for the bottling and storing of its 'Gran Cru' BelNature mineral water. The company launched a new Café Gourmet service, exclusively offering its clients coffee products in January 2004. The company also launched its BelNature branded water in 0.5 litre PET bottles in May 2004, for distribution to its cooler clients and through its website. In 2008 the company opened a new warehouse in Malaga. 2008 figures should be considered Zenith estimates.

COMPAÑÍA EUROPEA DEL AGUA SA

Company Structure

Address:	Pol. Ind. de Rosanes, Alemania R.F., 21-25, 08769 Castellvi de Rosanes, Barcelona, Spain		
Tel:	+34 (0)93 776 6344/5/6	**Fax:**	+34 (0)93 774 1104
Website:	www.ceasaespana.com	**Email:**	info@ceasaespana.com

Ownership:	Private company, 100% Mr Rubio
Senior management:	Managing Director, Mr Rubio; Export Manger, Gemma Serra
Related activities:	Manufacturer of water treatment systems, domestic and industrial reverse osmosis units, water softeners, water coolers
Non-related activities:	Exporter

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	2500	3000	3750	4700	5170	5520
Indirect supply - export	Europe	500	600	950	1200	1320	1400
Indirect supply	Spain	2000	2400	2800	3500	3850	4120

Marketing Analysis

Unit type %, 2008		Outlets %, 2008	
Hot-cold	80.0%	**Away From Home**	**100.0%**
Cold-ambient	20.0%	Offices	100.0%

Commentary

Based in Barcelona, Compañía Europea del Agua SA (CEASA) has more than 30 years' experience in the manufacturing and development of water treatment systems. The company portfolio includes a wide range of water softeners and reverse osmosis systems for domestic and industrial use. As an active member of the Water Quality Association (WQA), the company prides itself on offering products that give clients not only the latest technology but also the highest quality. The company introduced the range of Ecofuent point of use water coolers in 1999. The system contains a reverse osmosis purification system. CEASA exports to 30 countries throughout the world, including Portugal, Italy, France, and Latin America. 2008 figures should be considered Zenith estimates.

COOL OASIS

Company Structure

Address: C/ Gran Via 22-24, El Toro, Clavia, Palma De Mallorca, 07180, Spain
Tel: +34 (0)97 123 7191 **Fax:** +34 (0)97 123 4553
Website: www.cool-oasis.com **Email:** info@cool-oasis.com

Ownership: Private company
Senior management: Managing Director, Stuart Kitchen; General Manager, Frank Pendry; Financial Manager, Florina Lorinti; Business Development Manager, Bob Boynton

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	1100	3200	3350	3750	5050	6100
Direct supply	Spain	1100	1200	1250	1300	1500	1850
Direct supply - rented	Spain	1100	950	900	800	800	1020
Direct supply - sold	Spain	-	250	350	500	700	830
Indirect supply - export	Europe	-	1350	1350	1500	1700	2000
Indirect supply	Spain	-	650	750	950	1850	2250

Marketing Analysis

Unit type %, 2008	
Hot-cold	98.0%
Cold-ambient	2.0%

Outlets %, 2008	
Away From Home	**100.0%**
Factories	4.0%
Homes	58.0%
Medical / Institutions	4.0%
Offices	14.0%
Others	8.0%
Shops/Showrooms	12.0%

Commentary

Cool Oasis began operating in May 2001. Its head office in Mallorca supplies point of use water coolers from a wide range of manufacturers, including Aquator, Dieau, Kosmologic, Mistral and Crystal Mountain, and from 2007 has supplied Borg & Overstrom units. The majority of its coolers are run with Doulton Filtration, the balance are Reverse Osmosis Systems. 2002 saw the opening of two branches in the UK. In 2003, the company established branches in Marbella, Malaga and Algeciras on the Spanish mainland together with the Algarve in Portugal. 2004 saw the expansion continue with four new outlets in Spain, Minorca and Ibiza. In 2007, a new franchise opened in Torre Vieja and new offices was opened in Dubai. The company's main target lies in the domestic market, which currently represents more than 60% of its total business. Over the next few years, Cool Oasis also expects to see a rise in under-sink units, currently making up 6% of sales, to replace counter-top units. 2008 figures should be considered Zenith estimates.

CULLIGAN ESPANA SA

Category: Distributor

Company Structure

Address: Avda. Corts Catalanes, 2 Planta, Sant Cugat del Valles, Barcelona, 08173, Spain
Tel: +34 (0)902 10 31 50/ 52 34 52 **Fax:** +34 (0)902 23 99 84
Website: www.culligan.es **Email:** culligan-spain@culligan.es; ssimioni@culligan.es

Ownership: Culligan International Co
Senior management: General Manager, Francisco Gil; BWS Manager, Mr Silvio Simioni
Employees: 80
Related activities: Water purification and sanitation equipment
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Culligan (Spain)	Spring	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Culligan (Spain)	Spain	6.5	7.8	8.3	9.7	8.7	8.0
Distribution	Spain	6.5	7.8	8.3	9.7	8.7	8.0
Sales	Spain	6.5	7.8	8.3	9.7	8.7	8.0

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	7000	8500	9000	9460	9455	8000
Point of Use	Spain	-	-	-	-	20	-

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
18.9	100.0%	Offices	100.0%

Commentary

Culligan España has been present in Spain for several decades providing water purification and sanitation equipment but it was only in June 1999 that the group extended its activities to water coolers. The Culligan spring water brand is sourced from two springs: Aiguaneu in Barcelona and Bronchales in Teruel. The head office is based in Barcelona with branches in Zaragoza, Madrid, Murcia, Valencia and Malaga. In March 2009 Culligan España was sold to Eden Springs.

DIST. AUTOMATICOS DE BEBIDAS Y ALIMENTOS (DABA)

Category: Distributor

Company Structure

Address:	C/Bergueda, 27, Pol. Ind Can Casablancas, 08192 Sant Quirze Del Valles, Barcelona, Spain		
Tel:	+34 (0)96 4103 940	**Fax:**	+34 (0)93 721 7901
Website:	www.cobega.es	**Email:**	jmiro@cobega.es

Ownership:	Cobega company
Senior management:	Commercial Director, Joan Miro Cervera
Employees:	75
Subsidiaries:	Barcelona, Tarragona, Zaragoza, Mallorca, Menorca, Ibiza
Related activities:	
Non-related activities:	

Brand	Description	Pack type	Sizes (litres)
Vilas Del Turbon	Mineral	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Distribution	Spain	4.5	5.5	8.3	9.2	9.2	9.2
Sales	Spain	4.5	5.5	8.3	9.2	9.2	9.2

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	3500	4000	5300	5500	6200	6500
Point of Use							

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
18.9	100.0%	Factories	7.0%
		Offices	85.0%
		Shops	8.0%

Commentary

Distribución Automáticos de Bebidas y Alimentos (DABA) SA was established in 1989 as a vending company, part of Coca-Cola franchise bottler Compañia de Bebidas Gaseosas (Cobega). Since May 1996, the company has also distributed water coolers in Barcelona and its environs. Water was supplied by Aqua Pyrénées initially from southwest France and subsequently from the bottler's Barcelona plant, Montseny. In June 2001, the company switched to Aqua Pyrénées' Agudes bottling plant. The filling contract was switched once again at the end of 2002 to Sant Aniol. At present, DABA manages the Vilas del Turbon bottle plant, which is the property of the Cobega Group. 2008 figures should be considered Zenith estimates.

DISTRIBUCIONES DE AGUAS MINERALES SL (DAMI)

Category: Distributor

Company Structure

Address: Ronda Norte Industrial, No. 26 (Sector del Bony), 46470 Catarroja (Valencia), Spain
Tel: +34 (0)96 127 2021 **Fax:** +34 (0)96 127 2034
Website: www.dami.es **Email:** dami@dami.es

Senior management: General Manager, Raquel Belenguer
Employees: 50
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Bejis	Spring	R Glass	10.0, 13.0

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Bejis	Spain	4.8	5.1	5.5	5.5	8.5	3.5
Distribution	Spain	4.8	5.1	5.5	5.5	8.5	3.5
Sales	Spain	4.8	5.1	5.5	5.5	8.5	3.5

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	3750	4200	4600	4600	2500	2800
Point of Use							

Marketing Analysis

Packaging (2008)		Outlets (2008)		Advertising (2008)
R Glass	**100.0%**	**Away From Home**	**0.0%**	Yellow Pages
10.0	70.0%	Homes	70.0%	
13.0	30.0%	Offices	30.0%	

Commentary

Distribuciones de Aguas Minerales (DAMI) was founded in 1989. In 1996, the company started a water cooler operation, distributing Bejis-branded water bottled in 10 litre glass bottles, sourced under contract from Distribución Aguas Minero-Medicinales. The company now also has a 13 litre bottle and distributes Bejis, Vichy, Benassal and Lanjarón mineral water in small packs to retail outlets. Distribution is centred around Valencia.

EDEN SPRINGS (ESPAÑA) SA

Category: Distributor

Company Structure

Address:	Poligono Industrial Gran Via Sud, C/.Motors 344-346, 08908 L'Hospitalet de Llobregrat, Barcelona, Spain		
Tel:	+34 (0)93 264 0471	**Fax:**	+34 (0)93 264 0472
Website:	www.edensprings.es	**Email:**	info@edensprings.es

Ownership: Eden Springs
Senior management: General Manager, Antonio Alarcon
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Eden (Espana)	Mineral	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Direct Sales	Spain	11.9	23.5	24.7	27.2	28.7	28.7

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	13225	33200	30830	34800	34340	35830
Point of Use	Spain	-	-	-	-	380	1150

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
18.9	100.0%	Offices	100.0%

Commentary

Swiss-based Eden Springs (Europe) SA entered the Spanish market in June 2000 through its acquisition of Aqua 2000's Madrid operation, which was subsequently renamed Eden Springs (España) SA, and 25% of the Barcelona operation. At the end of 2001, Eden acquired the remaining shareholding in Aqua 2000 which was subsequently rebranded under the Eden logo together with another acquired portfolio belonging to Aqua Set, representing some 1,200 units. At the start of 2002, the combined Eden portfolio was wholly renamed under the Eden logo. In April 2003, Eden Springs and Groupe Danone entered into a joint venture, Danone Springs of Eden. In April 2004, the company acquired Montaña Azul Company, which was subsequently rebranded. In April 2007, Eden Springs bought Groupe Danone's 59% share in the Danone Springs of Eden joint venture. In 2008 the company acquired bottled cooler and POU operator Bodega Natural.

ELIS BARCELONA

Category: Distributor

Company Structure

Address: Calle Diesel, 5-7 Poligono Industrial, Sector Autopista, de Parets del Valles, Barcelona, 08150 , Spain

Tel: +34 935735 400 **Fax:** +34 935735 401

Website: www.elis.com **Email:** marketing@elis.com

Ownership: Eurazeo

Senior management: General Director, Mr Masferrer

Related activities:

Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Blue River (Elis Madrid)	Spring	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Distribution	Spain	1.4	1.4	1.4	1.5	1.5	1.6
Sales	Spain	1.4	1.4	1.4	1.5	1.5	1.6

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	1600	1650	1710	1915	2510	2600
Point of Use							

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
18.9	100.0%	Offices / Factories	100.0%

Commentary

Elis Barcelona is part of the Elis group, which provides laundry services across the whole of Europe. In October 1999, the company expanded its activities into water coolers, distributing water bottled by Agua Montseny under the O'magic brand. The water has been distributed under the Blue River brand since 2006. A POU model was introduced at the end of 2006. 2008 figures should be considered Zenith estimates.

FONT DEL SUBIRÀ

Category: Bottler

Company Structure

Address: C/- Joan Serras 2, 17403 Sant Hilari Sacalm, Girona, Spain

Tel: +34 (0)972 868 240 /+34 (0)972 869 761 **Fax:** +34 (0)972 868 240

Website: www.fontdelsubira.com **Email:** ceam@fontdelsubira.com

Senior management: Sr Felix Naharro, Ms Esther Naharro
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Font Del Subirà (Font Del Subira)	Mineral	R Polycarb	18.9, 20.0

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production	Spain	6.0	6.2	6.6	8.3	10.0	11.0
Sales	Spain	6.0	6.2	6.6	8.3	10.0	11.3

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
18.9	80.0%		
20.0	20.0%		

Commentary

At the start of 2001, Grupo CEAM commenced production of water for coolers at its plant in Girona. The mineral water is bottled under the Font del Subirà brand on behalf of a number of distributors located in mainland Spain and in the Balearics.

HIDRO-WATER SL

Company Structure

Address: Carretera Xirivella-Aldaya no.48, Valencia, 46960, Spain
Tel: +34 96 198 6230 **Fax:** +34 96 151 6154
Website: www.hidro-water.com **Email:** membranas@hidro-water.com

Ownership: Private company
Senior management: Antonio Romero
Employees: 80
Related activities: Water softeners, under-sink reverse osmosis systems, fountains
Non-related activities: Swimming pool equipment, septic tanks

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	-	-	-	270	255	180
Indirect supply	Spain	-	-	-	-	255	180

Marketing Analysis

Unit type %, 2008	
Cold-ambient	100.0%

Outlets %, 2008	
Away From Home	**100.0%**
Offices / Factories	100.0%

Commentary

Established more than 20 years ago, Hidro-Water is a Spanish producer and wholesale distributor of water treatment systems for industrial, commercial and in-home use. It has offices in Zaragoza, Barcelona and Portugal but distributes to the whole of Spain and Portugal. Its head office is in Valencia. The company imports POU units from South Korean company Seone.

IONFILTER

Company Structure

Address: C. Aiguafreda 8, Pol. Ind. L Ametlla Park, 08480 L Ametlla del Valles, Barcelona, Spain
Tel: +34 (0)902 305 310 **Fax:** +34 (0)936 934 329
Website: www.ionfilter.com **Email:** comercial@ionfilter.com

Senior management: General Manager, Sr Josep Dinares
Employees: 130

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	-	-	5000	8600	15140	17800
Indirect supply - export	France	-	-	1500	2580	4540	5100
Indirect supply	Spain	-	-	3500	6020	10600	12700

Marketing Analysis

Unit type %, 2008	
Hot/cold/ambient	100.0%

Outlets %, 2008	
Away From Home	**100.0%**
Offices / Factories	100.0%

Commentary

Ionfilter is a water treatment specialist, which supplies a network of about 40 distributors across Spain. The company manufactures some products and imports others, and has been the Spanish representative for the Korean cooler manufacturer Wonbong. All its units in Spain are based on reverse osmosis technology. Over 2006 and 2007, Ionfilter has forged a joint venture (JV) with Taiwanese water treatment manufacturer, Puricom, to supply their POU units in the Spanish market. Puricom has set up a Spanish firm, Puricom Europe, which works in tandem with Ionfilter in order to distribute and maintain units on the market. The figures above, therefore, represent those of the Ionfilter-Puricom JV and should be considered Zenith estimates.

MANANTIAL DE SALUD SA

Category: Bottler - Distributor

Company Structure

Address: C/ Riera de Can Pahissa, 8-10, Nave 4, 08750 Molins de Rei, Barcelona, Spain
Tel: +34 (0)93 680 3434 **Fax:** +34 (0)93 680 3435
Website: www.santhilari.com **Email:** info@santhilari.com

Ownership: Vichy Catalán, Spain
Senior management: Director General, Pere Vila; Administrative Director, Josep Casanovas
Employees: 80
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Manantial De Sant Hilari	Mineral	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production	Spain	11.4	13.6	14.6	16.6	17.5	17.6
Manantial De Sant Hilari	Spain	11.4	13.6	14.6	16.6	17.5	17.6
Sales	Spain	11.4	13.6	14.6	16.6	17.5	17.6

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Distributor	Spain	450	2200	2650	2750	970	1015
Own	Spain	12000	14000	16800	19850	23290	23400
Point of Use							

Marketing Analysis

Packaging (2008)		Outlets (2008)		Advertising (2008)
R Polycarb	**100.0%**	**Away From Home**	**100.0%**	Magazines, Yellow Pages
18.9	100.0%	Factories	20.0%	
		Homes	5.0%	
		Medical / Institutions	5.0%	
		Offices	60.0%	
		Others	5.0%	
		Shops/Showrooms	5.0%	

Commentary

Manantial de Salud was established in December 1997 as a cooler subsidiary to Vichy Catalán, Spain's second largest bottled water company. Distribution focuses on the Catalan region, Alicante, Valencia, Murcia, Albacete, Madrid, Toledo, Soria, Las Palmas de Gran Canaria, Zaragoza, and the Balearics. Water comes from the company's own Sant Hilari source in Girona and is bottled under the Manantial de Sant Hilari brand. In May 2003, Manantial de Salud acquired 90% of its main distributors, Cold Water Spain and Fuente Fresca, both based in Valencia.

SEMAE SL

Category: Bottler - Distributor
POU Distributor

Company Structure

Address: Pol. Ind Los Girasoles, Dolmenes de Valencina 26, Valencina de la Concepcion (Sevilla), 41907, Spain
Tel: +34 (0)954 34 86 02 **Fax:** +34 (0)901 02 05 68
Website: www.acquajet.com **Email:** direccion@acquajet.com

Ownership: Spanish investors
Senior management: Managing Director, Miguel Ribeiro Ferreira
Employees: 500
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
La Paz	Mineral	R Polycarb	18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Sales	Spain	16.0	20.0	25.0	27.0	32.0	35.0

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	23000	28000	35000	38000	47300	48000
Point of Use	Spain	-	-	500	650	820	1000

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
18.9	100.0%	Factories	15.0%
		Homes	4.0%
		Offices	78.0%
		Shops/Showrooms	3.0%

Commentary

Sociedad Española de Maquinas Para Agua Envasada (SEMAE S.L.). was formed in 1999, distributing mineral water to coolers in Seville, Andalucía. In Spain, the trading name of Semae's activities is Acquajet SL and in Portugal, Fonte Viva. Currently, Semae Sl has five springs supplying natural mineral water to its customers nationwide. The company has been operating in all of Spain's main cities since 2003 and has recently introduced POU units to its portfolio. SEMAE has been supplying coffee and small-pack format (33cl) bottled water since 2006. Through its varied activities across Iberia, SEMAE now has a customer base of around 78,000.

SERVIRREINER SL

Category: Distributor

Company Structure

Address: Ribera de Axpe, 11. Edificio C-2, Módulo 113. Erandio Vizcaya, Spain
Tel: +34 (0)94 480 6171 **Fax:** +34 (0)94 464 3275
Website: www.servirreiner.es **Email:** info@servirreiner.es

Ownership: Jose Maria Garcia Santamaria
Senior management: Director General, Jose Maria Garcia Santamaria
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Serverriener	Eau de Boisson	R Polycarb	10.0, 18.9

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Distribution	Spain	1.2	1.5	1.7	2.0	2.0	2.1
Imports	France	1.2	1.5	1.7	2.0	2.0	2.1
Sales	Spain	1.2	1.5	1.7	2.0	2.0	2.1

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	1400	1600	1800	2370	2760	2900
Point of Use							

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
10.0	2.0%	Homes	2.0%
18.9	98.0%	Offices	98.0%

Commentary

Servirreiner SL was established in December 1995 as a water cooler franchisee for Compañia de Aguas BelNature SL. In 1996 the company severed links and created an independent business. The company is now part of the SMI business services company. Servirreiner SL's distribution focuses on northern Spain (Cantabria, Vizcaya, Guipuzcoa, Navarra, Alava, La Rioja and Burgos). Water is supplied by Aqua Pyrénées in the South West of France. 2008 figures should be considered Zenith estimates.

TODAGUA ALMACENAJE Y DISTRIBUCION SA

Category: Distributor
POU Distributor

Company Structure

Address: C/ Otoño 21, Pl Las Monjas, Torrejon de Ardoz, Madrid, E-28850, Spain
Tel: +34 91 648 79 70 **Fax:** +34 91 656 86 86
Website: www.todagua.es **Email:** clientes@todagua.es

Senior management: Chief Executive Officer, Diego Bruno Quijano
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production							
Sales	Spain	-	1.8	2.6	5.0	6.0	5.0

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own	Spain	300	1500	2700	4000	5000	5000
Point of Use	Spain	20	40	80	120	150	150

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
12.0	2.0%	Homes	2.0%
19.0	98.0%	Offices	98.0%

Commentary

Todagua S.A.'s partners have more than 20 years of international experience in the distribution and commercialisation of coolers. Principally, the business is based in central Spain. The company supplies Manantial Orontana and Manantial Fonsana natural mineral water. Todagua's portfolio includes bottled water, POU and bottled cooler distribution as well as becoming an office supplier of IILY professional coffee machines in 2007. In 2007, Todagua won four prizes at the Aqua Awards in Warsaw, attaining the highest number of awards for one company. Todagua was awarded Best Water Cooler Bottled Label, the second in the Best Company Advertisement category and third prizes for Best Company Brochure and Best Website.

UNIAGUA SORIANO SL

Company Structure

Address: Partida Ilano San José, Pol 1-No.82, Elche (Alicante), 03293, Spain
Tel: +34 96 543 3304 **Fax:** +35 96 666 0601
Website: www.uniagua.com **Email:** asoriano@uniagua.com

Ownership: Sr. Angel Soriano
Employees: 18

Point of Use Unit Analysis

Units placed on market by year end (total of units through current rental contracts, plus number sold directly or indirectly)

		2003	2004	2005	2006	2007	2008
Total POU units	Spain	-	-	-	350	450	380

Marketing Analysis

Unit type %, 2008		Outlets %, 2008	
Hot-cold	80.0%	**Away From Home**	**100.0%**
Cold-ambient	20.0%	Offices	100.0%

Commentary

Uniagua Soriano has been supplying various reverse osmosis POU models since 1995, when it was established. It distributes throughout the country, especially along the coastal region mainly to the in-home market, however its POU units are targeted at offices. The company supplies units sourced from WongBong in South Korea and predominantly sells rather than rents its POU offerings.

VIVA AQUA SERVICE SPAIN SA

Category: Bottler - Distributor

Company Structure

Address: Calle Brosquill, S/N Poligono Industrial n#7, El Puig, Valencia, 46540, Spain
Tel: +34 (0)96 141 5500 **Fax:** +34 (0)96 141 5511
Website: www.viva-aquaservice.com **Email:** agutierrez@viva-aquaservice.com

Ownership: ALPS, USA
Senior management: Managing Director, Albert Gutierrez
Related activities:
Non-related activities:

Brand	Description	Pack type	Sizes (litres)
Viva Aqua Service (SPA SA)	Purified	R Polycarb	20.0
	Spring	R Polycarb	20.0

Sales Volume

Million litres	Country	2003	2004	2005	2006	2007	2008
Production	Spain	18.5	24.0	31.0	36.0	43.0	43.0
Sales	Spain	18.5	24.0	31.0	36.0	43.0	43.0

Units Serviced

Unit Numbers	Country	2003	2004	2005	2006	2007	2008
Own Point of Use	Spain	24300	32800	41500	51000	62000	63000

Marketing Analysis

Packaging (2008)		Outlets (2008)	
R Polycarb	**100.0%**	**Away From Home**	**100.0%**
20.0	100.0%	Offices	100.0%

Commentary

Spanish Premium Aqua SA (SPA) was set up as a joint venture between leading Spanish brewer Grupo Cruzcampo and ALPS (American Liquid Packaging Systems) of California in February 1997. 100% ownership subsequently switched to ALPS. The group bottles its own Viva Aqua Service brand, a purified and spring water drawn from four sources. During 2006, the company changed its name to Viva Aqua Service Spain, drawing it into line with the brand and other companies of the ALPS Group. The company remains wholly owned by ALPS.

APPENDIX: GLOSSARY, ACRONYMS AND ABBREVIATIONS

Glossary

Bottled water	All water sold in containers for human consumption.
Bottled water cooler	A unit that dispenses bottled purified, spring or mineral water. The unit can be installed under a rental and service agreement or purchased outright by the customer. Water is delivered direct to the customer by a distributor and empty bottles are taken away. New bottles are placed upside down on top of the machine. A feed tube spike from the machine penetrates a watertight cap in the bottle and opens a valve within the cap, thereby allowing water to flow into the machine. Water is dispensed from cold/hot/ambient taps at the front of the unit. Disposable cups are normally provided in a tube dispenser on the front or side. Machines are usually either freestanding or table-top. They usually take larger bottle formats (5 litre, 7.5 litre, 11.4 litre, 18.9 litre) than those distributed in packaged formats that are available through usual retail outlets such as supermarkets etc.
Bottler	Bottlers supply water to distributors in tankers or bottles. They have no cooler units of their own.
Bottler-distributors	Bottler-distributors have their own water source, fill bottles under their own brand, install their own cooler units and run their own distribution service. They may also fill bottles under contract for other distributors, either under their own brand or under distributor brands.
Carbon filtration	Cartridges in carbon filters naturally absorb organic compounds and chlorine by-products from water. The technique is often used to remove objectionable taste and odour from water.
Codex	Bottled water and POU legislative framework in Germany.
Distributor	Distributors service their own machines using water supplied by bottlers or bottler-distributors. The water may be marketed under the bottler's, bottler-distributor's or the distributor's brand name.
Eau de source	Term used in the Benelux countries and France to describe water from a single protected underground source, untreated and preserved in its natural state.
Eau de boisson	Term used in the Benelux countries and France to describe water packed in bottles larger than 2 litres.
Heilwasser	Literally "health water", registered as a drug in Switzerland and therefore not permitted to be marketed or advertised.
Horeca	Hospitality sector (concatenation of hotel, restaurant and café).

Natural mineral water

In accordance with EC Directive 80/777/EEC on Natural Mineral Waters (and related 96/70/EC, 98/83/EC and 2003/40/EC), in order to qualify as a natural mineral water, the water must:

- come from a specified underground source that is protected from any kind of pollution
- be stable in its chemical and physical composition
- satisfy microbiological criteria and be free of any harmful bacteria
- receive no treatment other than filtration (to remove items such as sand particles) or carbonation by the addition of carbon dioxide (although some waters are naturally carbonated)
- be bottled at source and fitted with a tamper-evident seal
- undergo regular analyses after recognition by an approved laboratory to ensure that these exacting standards are maintained.

Packaged water

Bottled water that is not distributed for consumption via water coolers.

Pfandpflicht

The Pfandpflicht deposit law is an eco-tax in Germany, originally introduced in 2003. Further amendments were made to the law in 2006.

POU cooler

A water cooler device that is plumbed into a potable water supply and improves the quality of the water through some method of filtration or purification. Such machines rarely have a drainage system, unless the method of filtration is reverse osmosis or individual country legislation requires it; otherwise the water is either consumed at the point of release or enters the drip tray. The water is usually chilled, heated or carbonated. Units can be faucet/tap, freestanding or table-top. Filtration methods include reverse osmosis, ultra violet (UV) and carbon filter. Faucet/tap units typically utilise carbon and combined staged filtration to deliver filtered water – a 'diverter' may be incorporated to bypass the filtration process for dishwashing, etc.

Purified water

Mains or other water subjected to further processing and treatment and bottled in accordance with EC Directive 80/778/EEC on Water for Human Consumption. Sometimes called 'drinking water' or 'table water'. It may come from more than one source or not from a single underground source. It may include the public water supply or be transported from the source to the bottling plant. Bottling companies may carry out filtration and treatment processes on the water to amend its constituents before the water is distributed for sale. Some companies may also add mineral salts and carbon dioxide to their water.

Reverse osmosis

A water treatment process that filters out most inorganic chemicals such as salts, metals and minerals as well as micro-organisms and many (but not all) organic compounds. It is sometimes seen as a controversial filtration method as it frequently discards a high percentage of water along with the contaminants.

Spring water

In accordance with EC Drinking Water Directive 80/778/EEC, subsequently amended 98/83/EC and related 80/777/EEC, 96/70/EC, and 2003/40/EC, any water from a spring or well may qualify as spring water if it meets the same basic standards as domestic tap water. Impurities may be removed by processing and treatment. Spring water must:

- be bottled at source unless it was being tankered before 23 November 1996
- be safe without disinfection and not treated in any way which will alter the natural microbiology
- be bottled under only one name as the largest item on the label (the name of source or place of exploitation)
- be untreated except to remove unstable elements (sediment, precipitating iron and manganese).

Unlike natural mineral water, spring water does not have to have a characteristic composition, be free from all traces of pollution or be from a recognised (as opposed to registered) source.

Under sink system

An under sink system is classified as any water filtration device (reverse osmosis, UV or carbon) housed in the cupboard/cabinet below the sink area. Filtered water may be delivered direct through the main sink tap, or through a secondary tap within the sink area. Most under sink units only provide filtered water, however some POU distributors are offering units that provide chilled or even hot filtered water through the sink tap. Under sink systems provide a convenient way to give people greater control over the standard of the water they consume. Although there are a range of different methods, generally an under counter unit aims at lowering the amount of heavy metals such as copper, lead, cadmium and barium in the water as well as magnesium, fluoride and sediment.

UV

UV filtration systems inactivate bacteria, viruses and micro-organisms.

Acronyms and abbreviations

...	Negligible, less than 0.05
cl	Centilitre
e	Estimate
f	Forecast
na	Not available, not applicable
ADEAC	Asociación de Distribuidores y Envasadores de Agua en Cooler
AWCN	Association Water Cooler Netherlands
B2B	Business-to-Business
BiB	Bag-in-box
BPA	Bisphenol A
BSDA	British Soft Drinks Association
BWC	Bottled water cooler
BWCA	British Water Cooler Association
CAGR	Compound annual growth rate
DIN	Deutsches Institut für Normung (German Institute for Standardisation)
DTI	Department of Trade & Industry
EBWA	European Bottled Water Association
EC	European Commission
EFET	Hellenic Food Authority
EFBW	European Federation of Bottled Waters
EPDWA	European Point of use Drinking Water Association
EPFL	Swiss Federal Institute of Technology
EU	European Union
FSA	Food Standards Agency

GBWA	German Bottled Water Cooler Association
HOD	Home and office delivery
IMF	International Monetary Fund
IMQ	Institut für Microbiologische Qualitätssicherung
MIT	Ministry of Industry and Trade (Norway)
NR	Non returnable packaging
NSF	National Sanitation Foundation
OOH	Out-of-home
PET	Polyethylene terephthalate
POU	Point of use
R	Returnable packaging
R&D	Research and development
RO	Reverse osmosis
RoHS	Restriction of hazardous substances
ROI	Return on investment
SME	Small- and medium-sized enterprise
SSTI	Self-sanitising technology system
UEFA	Union of European Football Associations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESDA	Union of European Beverages Associations
UV	Ultra violet
VAT	Value-added tax
WEEE	Waste Electrical and Electronic Equipment Directive
WRAP	Waste Resources Action Programme
WRAS	Water Regulations Advisory Scheme