



NEWS RELEASE

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Contact: ABA Press Office
(202) 463-6770

BEVERAGE INDUSTRY CONTINUES CUTTING CALORIES IN SCHOOLS, DELIVERING ON ITS COMMITMENT TO CHANGE BEVERAGE MIX

SECOND PROGRESS REPORT SHOWS BEVERAGE CALORIES SHIPPED TO SCHOOLS SLASHED BY 58 PERCENT

NEW YORK – A new report released today shows that the beverage industry continues to significantly cut calories in schools two years into a three-year implementation period of the national School Beverage Guidelines. The Alliance for a Healthier Generation, a joint initiative of the William J. Clinton Foundation and the American Heart Association, worked with representatives of The Coca-Cola Company, Dr Pepper Snapple Group and PepsiCo, Inc. and the American Beverage Association to establish these guidelines that limit portion sizes and reduce the number of calories available to children during the school day. The report reflects the diligent and determined action of beverage companies to help change the landscape in schools for children across America.

The *School Beverage Guidelines Progress Report 2007-2008* showed that beverage calories shipped to schools have decreased by 58 percent since 2004, the last comprehensive analysis available prior to creation of the School Beverage Guidelines in 2006. The report was released during a news conference with former President Bill Clinton and American Heart Association President Timothy J. Gardner, M.D., FAHA, medical director of the Center for Heart and Vascular Health at Christina Care (Del.) – who are co-leads of the Alliance along with California Gov. Arnold Schwarzenegger – as well as American Beverage Association President and CEO Susan K. Neely.

Importantly, the second annual progress report shows that 79 percent of schools under contract with bottlers are already in compliance with the national School Beverage Guidelines. This surpasses a specific benchmark set forth as part of the guidelines agreement that 75 percent of schools under contract must be in compliance by the 2008-2009 school year, which just began.

“We’re cutting calories in schools, plain and simple,” Neely said. “This industry made a bold commitment two years ago to change the beverage mix in schools, and we are delivering. We recognize that schools are unique places and we’re doing our part to help students understand the importance of balancing calories burned with calories consumed.”

The *School Beverage Guidelines Progress Report 2007-2008* marks the second annual assessment of the impact and status of implementation of the national guidelines. Its data is collected and analyzed by Keybridge Research LLC, an independent policy research firm.

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SBG YEAR TWO REPORT/ADD ONE

“The change we’re seeing is clearly significant,” said Dr. Robert Wescott, president, Keybridge Research LLC. “Bottlers continue to make strong progress toward full implementation and, in light of the timeline given to the industry to implement these guidelines, the gains to date are particularly noteworthy.”

The voluntary agreement between the Alliance for a Healthier Generation, American Beverage Association, The Coca-Cola Company, Dr Pepper Snapple Group (formerly Cadbury Schweppes Americas Beverages) and PepsiCo, Inc. was announced by President Clinton along with leaders of the beverage industry on May 3, 2006. The science-based guidelines call for the beverage industry to provide lower-calorie and smaller-portion options in schools, including the removal of full-calorie soft drinks, all by the 2009-2010 school year. Beverage options include 100 percent juice, low-fat milk and bottled water in elementary and middle schools, with the addition of diet sodas, calorie-capped sports drinks and enhanced waters, and low-calorie teas in high schools. It is the shift towards lower-calorie, smaller-portion beverages that is contributing to the reduction in calories available from beverages in schools, as well as the change in the beverage mix available to students.

The School Beverage Guidelines are a component of the Alliance for a Healthier Generation’s Healthy Schools Program. This comprehensive program addresses both nutrition and physical activity by outlining specific steps that schools can take to create healthier school environments. The criteria are based on the best available evidence of programs, policies and practices that positively impact physical activity and healthy eating behaviors among students.

“We applaud President Clinton, the American Heart Association and the Alliance for their leadership in our schools,” Neely said. “We chose to participate with the Alliance because of its comprehensive approach to promoting healthy schools and students. Their program puts equal emphasis on improving physical activity for students as it does school nutrition.”

The report highlights three important markers of progress:

- **Calories in schools continue to drop.** There has been a **58 percent decrease in total calories** contained in all beverages shipped to schools between 2004 -- the last comprehensive data available prior to the agreement -- and the 2007-2008 school year.
- **School contract compliance has surpassed the benchmark goal.** In the second year of implementation, **79 percent of all contracts between bottlers and schools or school districts have achieved compliance** with the guidelines, which surpasses the benchmark goal of reaching 75 percent by 2008. With more than three-quarters of contracts in compliance, the industry is fully on track for the three-year implementation plan.
- **The school beverage landscape continues to change. The beverage mix in schools continues to change, shifting to more waters, portion-controlled sports drinks and diet drinks.** In fact, shipments of full-calorie soft drinks have decreased by nearly two-thirds with the volume shipped to schools **down by 65 percent**, showing industry is well on track for meeting that component of the commitment.

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SBG YEAR TWO REPORT/ADD TWO

“This second progress report shows the results of hard work by beverage companies and their school partners to institute a calorie-based national standard which can serve as a catalyst for a more comprehensive approach to school nutrition,” Neely said. “Implementation has not been an easy task. While some talk about change, we are making that change happen right now.”

Since the MOU was entered into just over two years ago, beverage companies have spent thousands of hours educating and training sales forces throughout the country on the specifics of the guidelines, as well as revising existing contracts between bottlers and schools. To date, they have invested millions of dollars to make the guidelines a reality in schools across the country by retrofitting vending machines, repackaging products, and reconfiguring production lines and equipment, among other implementation activities. These efforts continue to be underway as industry works toward its commitment of full implementation by the 2009-2010 school year. In fact, while this report measures data through June, progress has continued over the summer months as many schools and bottlers work together to make changes less disruptive while school is not in session.

The national School Beverage Guidelines are a commendable example of how the private and public sectors can collaborate to achieve meaningful results, helping to change the dynamic for how effective public policy is developed in this country.

For complete details on the national School Beverage Guidelines and a copy of the full progress report go to www.schoolbeverages.com.

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The American Beverage Association is the trade association representing the broad spectrum of companies that manufacture and distribute non-alcoholic beverages in the United States.



School Beverage Guidelines Progress Report 2007-2008
Key Facts and Data from the School Beverage Guidelines Progress Report 2007-2008

Background on the National School Beverage Guidelines: The guidelines were created in May 2006 through collaboration with the Alliance for a Healthier Generation – a joint initiative of the William J. Clinton Foundation and the American Heart Association – and America’s leading beverage companies, The Coca-Cola Company, Dr Pepper Snapple Group (formerly Cadbury Schweppes Americas Beverages) and PepsiCo, Inc. This is the second annual report on the implementation of the guidelines.

The science-based national guidelines focus on balancing calories, providing for lower-calorie, smaller-portion options in schools, including the removal of full-calorie soft drinks. The guidelines provided a three-year period for implementation by the beginning of the 2009-2010 school year. For complete details on the guidelines and a copy of the full Progress Report go to www.schoolbeverages.com.

The Progress Report Shows:

➤ **We’re cutting calories in schools.**

- ✓ Calories from all beverages shipped to schools nationwide have been slashed by 58 percent (2004-2007/2008).
- ✓ Shipments of full-calorie soft drinks have been cut by nearly two-thirds (65 percent) in all schools.
- ✓ We committed to cut calories in schools and we’re on track to meet our goal of implementation by next school year.

➤ **We surpassed the benchmark goal for school contract compliance**

- ✓ The guidelines called for 75 percent of schools under contract with bottlers to be in compliance by the start of the school year this fall. Currently, 79 percent of school contracts are in compliance.
- ✓ This percentage more than doubles the percentage of contracts in compliance one year ago (35 percent.)
- ✓ This accomplishment, which often required schools to agree to change existing contracts with bottlers, shows the diligence and determination by our companies to make the School Beverage Guidelines happen, along with their school partners.

➤ **We continue to change the beverage landscape in schools .**

- ✓ The School Beverage Guidelines provide for a range of lower-calorie, nutritious and smaller-portion beverage options.
- ✓ As a result, the beverage mix in schools continues to shift to waters, portion-controlled sports drinks, diet drinks and 100 percent juices.
- ✓ The beverage mix strikes the right balance. That's why 88 percent of family physicians and pediatricians support the national School Beverage Guidelines, according to a Public Opinion Strategies poll.

➤ **The Bottom Line: We're delivering on our commitment to parents and schools.**

- ✓ The beverage industry's hard work is making change happen in schools across the country. No industry is doing more to help change the school landscape than ours.
- ✓ The School Beverage Guidelines are part of a broader effort to teach children the importance of a balanced diet and exercise.
- ✓ Our industry recognizes that schools are a unique environment, so we committed to doing our part in reinforcing with students the importance of balancing calories consumed with calories burned.