

Craft Beer from Craft Brewers Boosts Off-Premise Sales & Profits



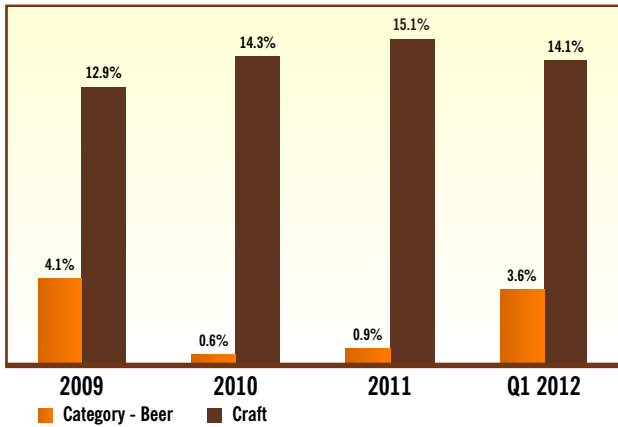
"Far from representing the nadir, American craft brewers now inspire bastions like England, Germany and Belgium to re-examine their own traditions and to invent new ones." – *The New York Times* September, 2011

WHY CRAFT?

CRAFT IS THE GROWTH ENGINE FOR BEER

Total U.S. Supermarkets - % and Actual Dollar (\$M) Chg Vs YA

	2009	2010	2011	Q1 2012
Beer	\$326,425	\$51,255	\$76,681	\$59,360
Craft	\$78,373	\$97,989	\$118,769	\$23,916

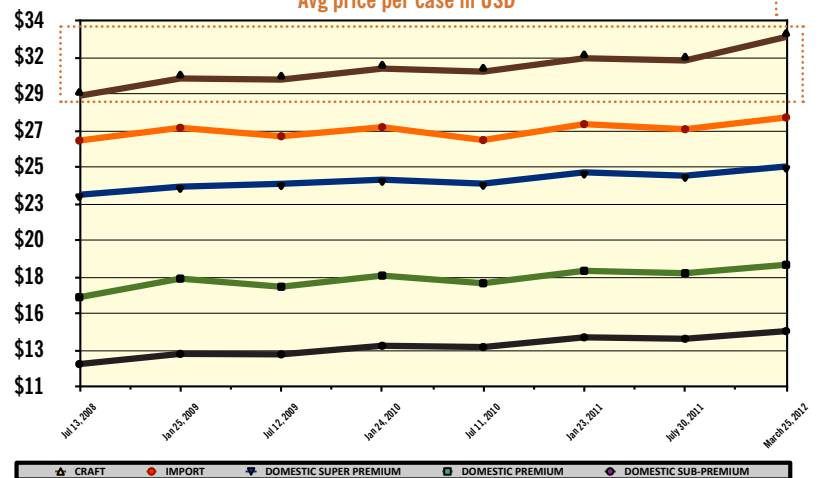


WHY NOW?

THE CRAFT SEGMENT CONTINUES TO BE THE PRICING LEADER IN THE BEER CATEGORY

Total U.S. Supermarkets
Avg price per case in USD

CRAFT SEGMENT



Despite a slow economy, craft beer continues to be the bright spot in the beer category

	Dollar Sales	Dollar Sales % Chg YA	Case Sales	Case Sales % Chg YA
CATEGORY - BEER	\$1,718,826,496	3.6	81,864,848	0.4
CRAFT	\$194,080,336	14.1	5,875,076	9.8
IMPORT	\$333,308,672	4.2	11,918,067	3.6
PROGRESSIVE ADULT BEVERAGES	\$43,988,104	0.5	1,348,947	(1.0)
DOMESTIC PREMIUM	\$659,793,984	(1.4)	35,272,264	(2.8)
DOMESTIC SUPER PREMIUM	\$179,279,936	21.9	7,202,484	19.8
DOMESTIC SUB-PREMIUM	\$261,650,128	(1.7)	17,994,838	(4.4)
DOMESTIC MALT LIQUOR	\$18,745,940	1.8	1,129,267	(3.1)
NON-ALCOHOLIC	\$16,613,526	1.3	800,379	(2.1)

CRAFT BEER OFFERS VERSATILITY...

- Craft seasonal & variety packages are in the top 5 in total U.S. scan data. Your shopper wants a better beer experience!
- Cross merchandising opportunities—there are almost too many to count! Cheese, meat, fish, deli, chocolate, & even bakery departments present great opportunities.
- A point of differentiation—a craft tasting offers you the opportunity to communicate directly with your shopper AND your shopper wants to speak to you!

Data is year-to-date April 2012



This data provided by Symphony IRI Group which tracks sales for craft brewers within the total U.S. supermarket channel. Visit their website at www.symphonyiri.com. For Symphony IRI, contact Dan Wandel, at 312.474.4947 or daniel.wandel@infores.com

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CHAIN BUYER PRESENTATION SHEET

Why Craft?

- While most of the beer category continues to trend flat or down, craft beer is a bright spot, recording the highest percentage change YA in both case sales and dollar growth.
- The corresponding chart can help clarify that craft beers are on a different growth path than other beer categories.
- The craft category continues to be “recession resistant” because many budget-conscious shoppers consider craft an affordable luxury.

Why Now? (What’s in it for you?)

- The craft segment continues to be the pricing leader for the beer category with the highest average price per case.
- This chart could also explain a correlation between pricing and margin; craft is the highest margin beer category. Please remember that high margins = higher dollars = higher register rings. You put cash in the register, not margin.
- Finally, look at the growth of craft pricing over time, from \$29.99 in May 2008 to \$33.03 in March 2012, versus the growth of any other category on the chart—craft has enjoyed the highest growth.

The Craft Story

- Each craft brewer has its own unique story, packages, and flavor profile and your shopper wants to hear about all of it.
- Having a good craft selection **elevates** the shopper’s perception of your entire store.
- The craft shopper brings **more dollars** and increases your average total market basket ring in your stores.
- The craft brewer is better at **communicating** our message to all consumers.
- The craft brewer wants to **earn the right to** be at your shopper’s dinner table.

The Trend Continues...

- Five consecutive years of double digit growth in TUS (Total US) – The craft category is outperforming ALL other beer categories.
- Craft commands the highest average price per case = More dollars in your register.
- Even in a slow economy, craft sales, pricing, and profits remain strong.

Did You Know?

- This is designed to be a helpful fact sheet about the craft beer segment as it relates to its sales performance in total U.S. supermarkets.
- As today’s beer consumer continues to seek out variety, the craft segment offers the most beer styles of any beer segment. Retailers should be stocking an abundance of seasonal craft beers for their consumers.
- American Craft Beer Week will be celebrated by beer drinkers all over the country, May 14-20, 2012. Learn more at CraftBeer.com/ACBW.
- Check out CraftBeer.com as a resource for you and your customers.
- Makers of craft beer are referred to as craft brewers. An American craft brewer is small (makes less than 6 million barrels of beer a year), is independently owned and uses traditional ingredients. For a full definition visit BrewersAssociation.org.

Profit Comparison Tool

Brand	6 Packs		12 Packs	
	Craft	Premium	Craft	Premium
Retail Price/Cost				
Wholesale Price/Unit				
Gross Profit/Unit				
Units/Month (Optional)				
Monthly Profit (Optional)				
Annual Profit (Optional)				

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