

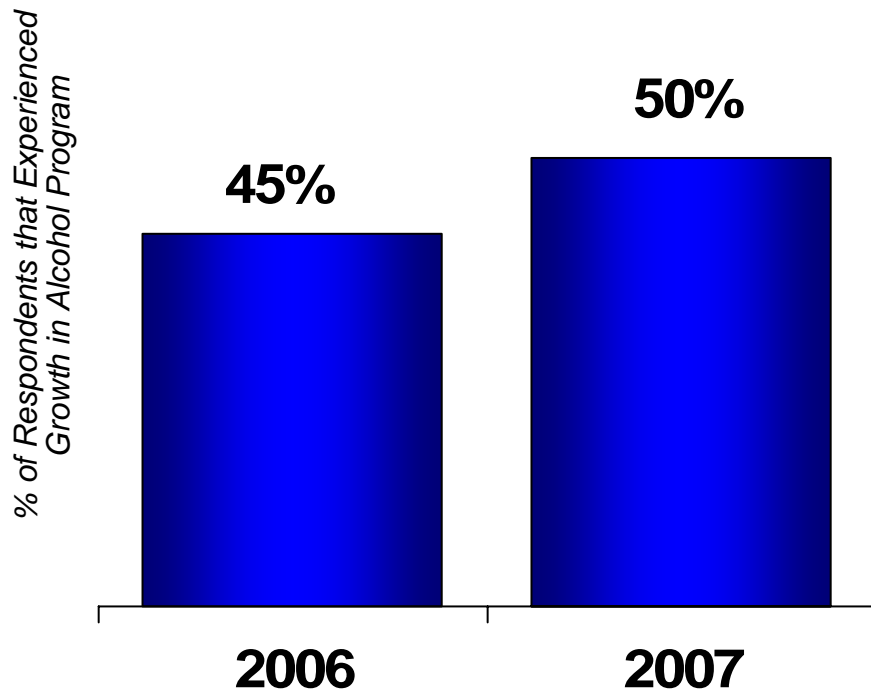


*On-Premise  
Channel Overview  
1<sup>st</sup> Quarter 2008*

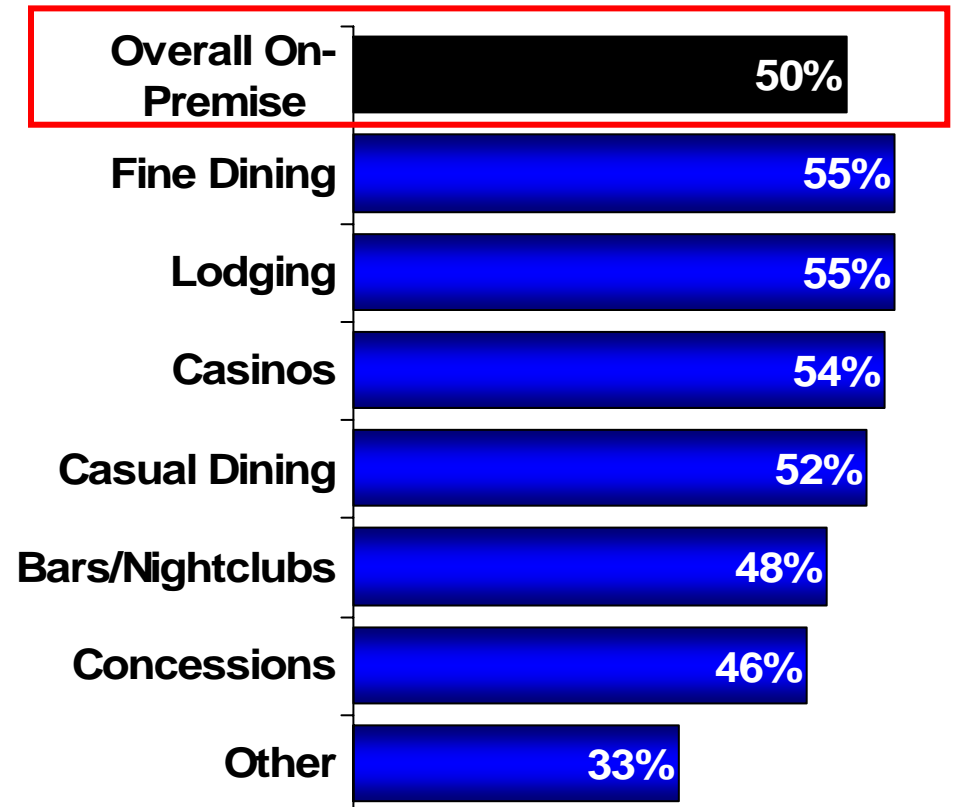
# Alcohol Beverage Sales Experiencing Growth On-Premise in 2007!



- On-Premise establishments that experienced beverage alcohol growth grew 11% from 2006!



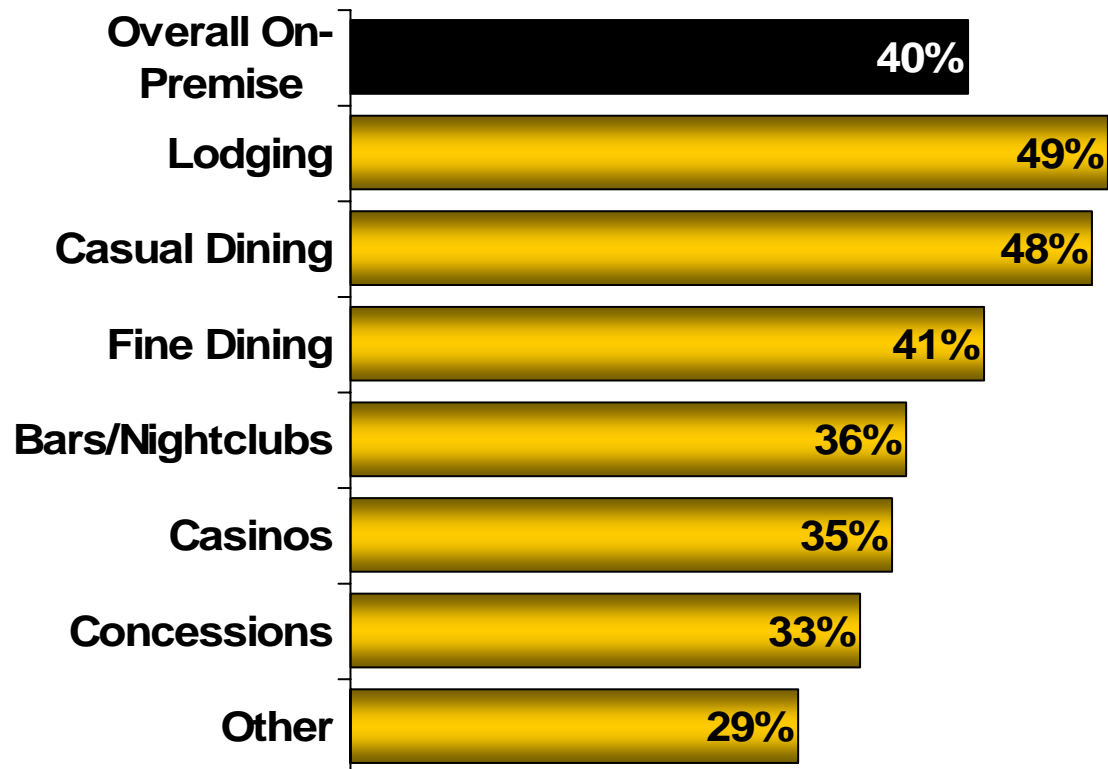
- In Total, 50% saw growth in 2007, with Fine Dining and Lodging reporting the most beverage alcohol success !



# *On-Premise Channel Expects Growth for Beer in 2008!*



- 40% of On-Premise Establishments are expecting growth for beer in 2008!
- This is driven by 48% Total Casual Dining looking forward to an increase in beer dollars next year.

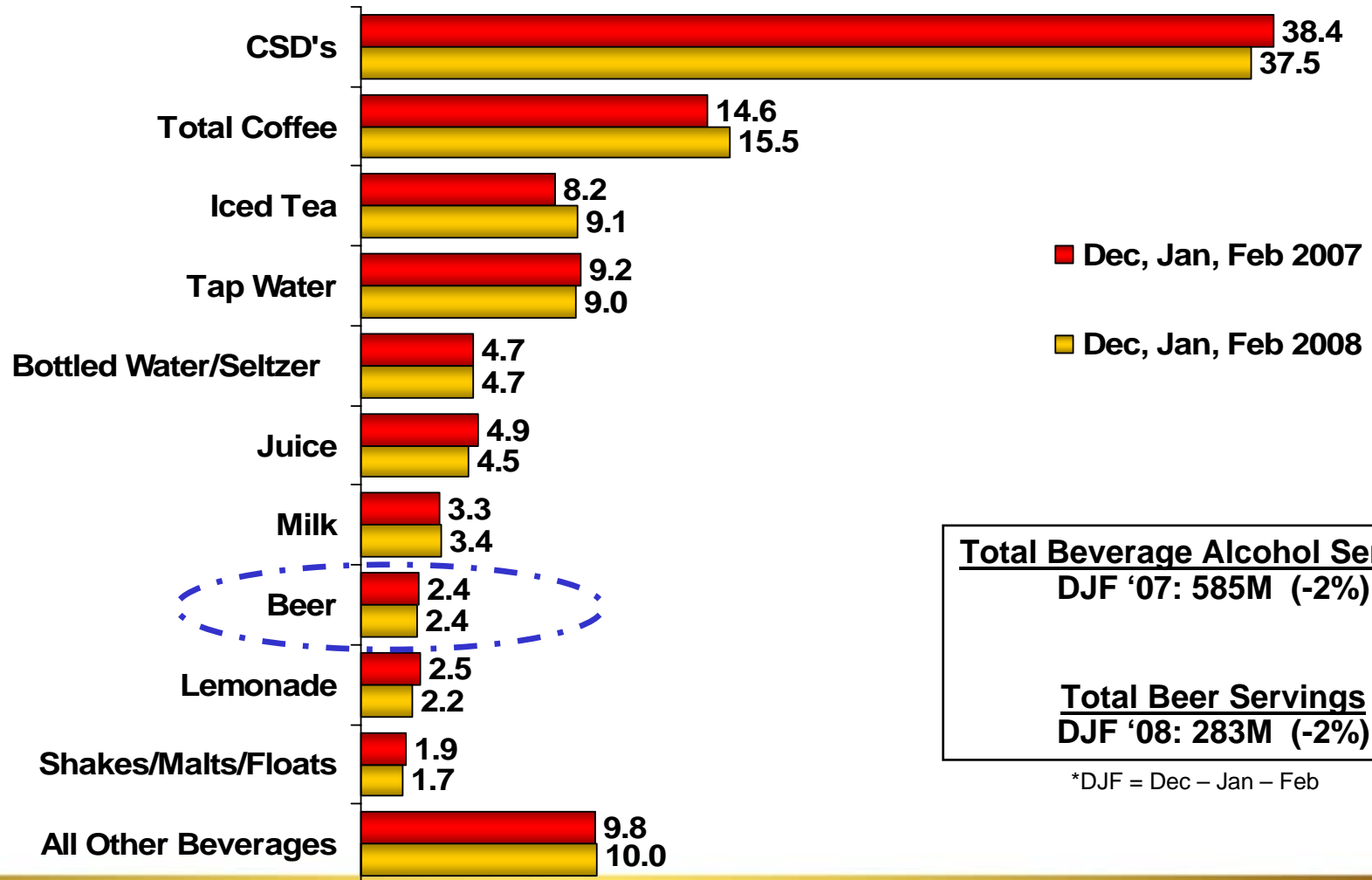


# Beer is the Only Adult Beverage in the Top 10



## Share of Total Beverage Servings

Total Restaurants



### Total Beverage Alcohol Servings

DJF '07: 585M (-2%)

### Total Beer Servings

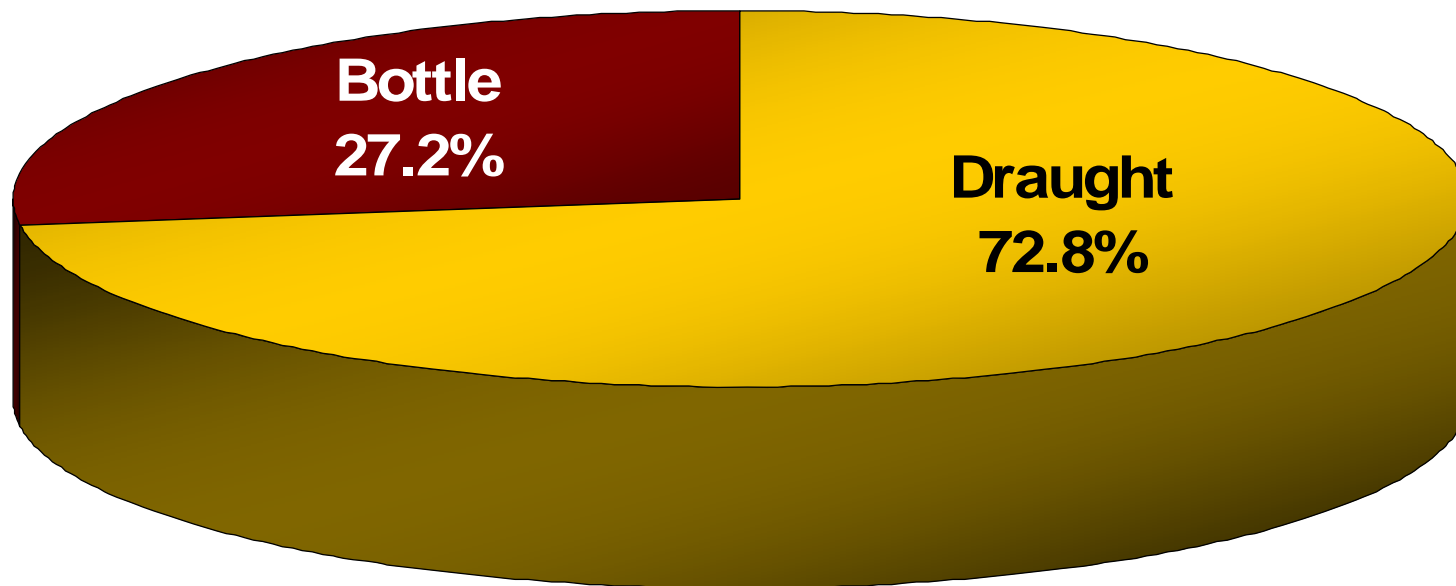
DJF '08: 283M (-2%)

\*DJF = Dec - Jan - Feb

*Draught Sales Make up Over 70% of  
Total Beer Dollar Sales On-Premise*



Dollar Share of Total On-Premise Beer Sales



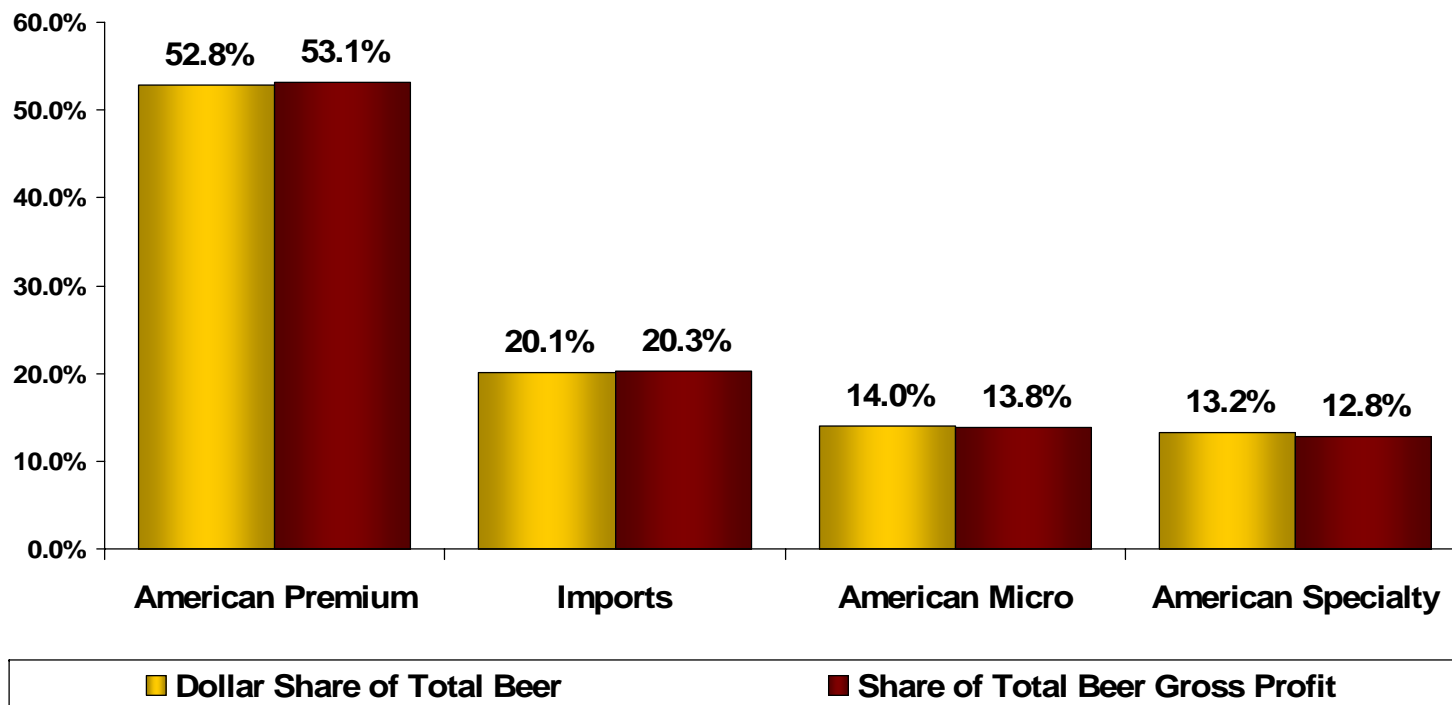
# Total On-Premise Beer Segments

## Dollar Share and Share of Gross Profit



- Each beer segment is contributing its fair share of gross profit, based on size of the segment...American Premium is 52.8% of all beer dollar sales and 53.1% of all beer gross profit

### Dollar Share and Share of Total Gross Profit

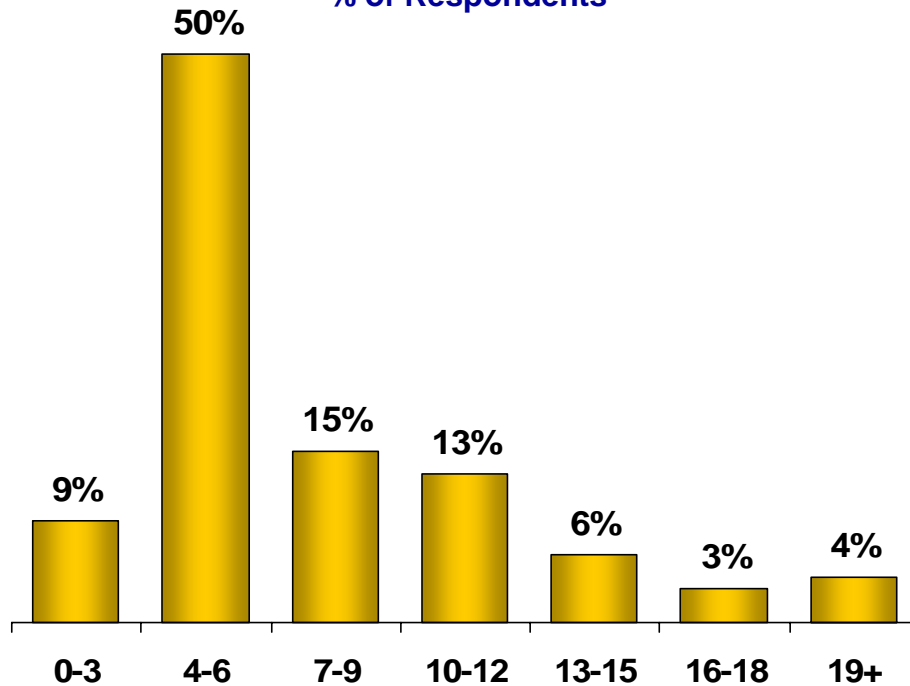


# The Majority of Establishments Have 6 Tap Handles Or Less



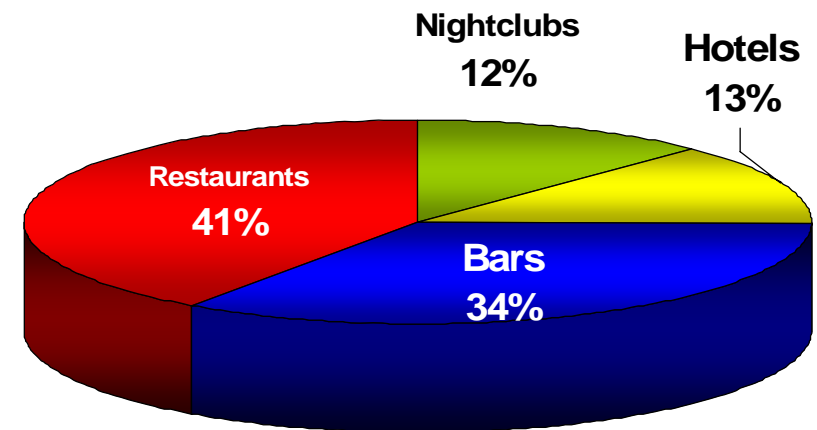
- Establishments with a high number of tap handles typically have more than one bar with multiple bartender stations
- Hotels and Nightclubs offer significantly less tap handles compared to bars and restaurants

**Number of Tap Handles**  
% of Respondents



5 market average

**Total Tap Handles % By Establishment**

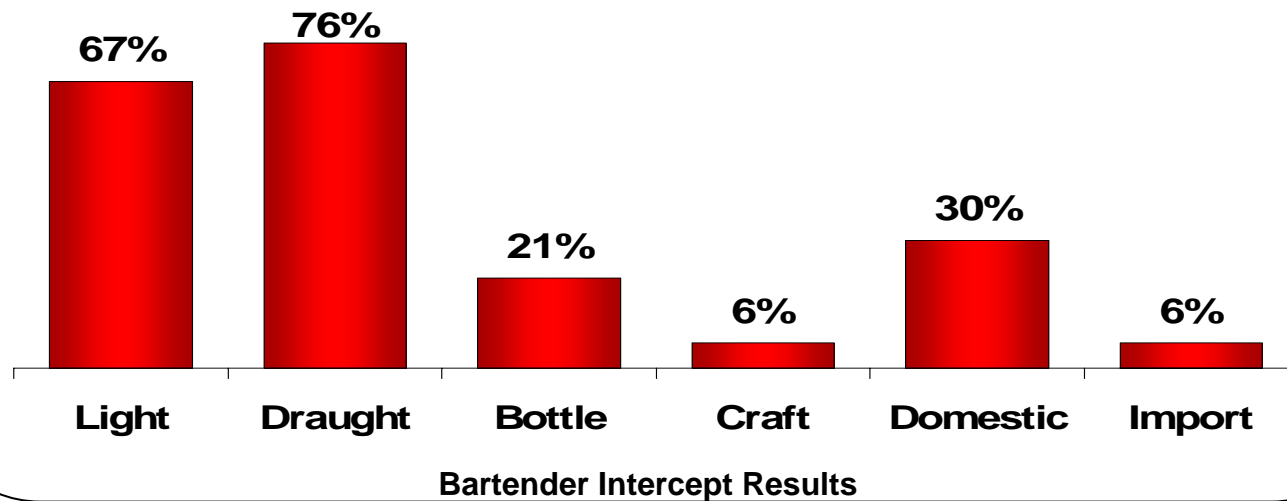


## Consumers Most Likely to Order Draught Beer



- 76% of bartenders say that draught beer is the most often requested, while only 21% say bottled beer

### What Types of Beer are Most Frequently Asked For?

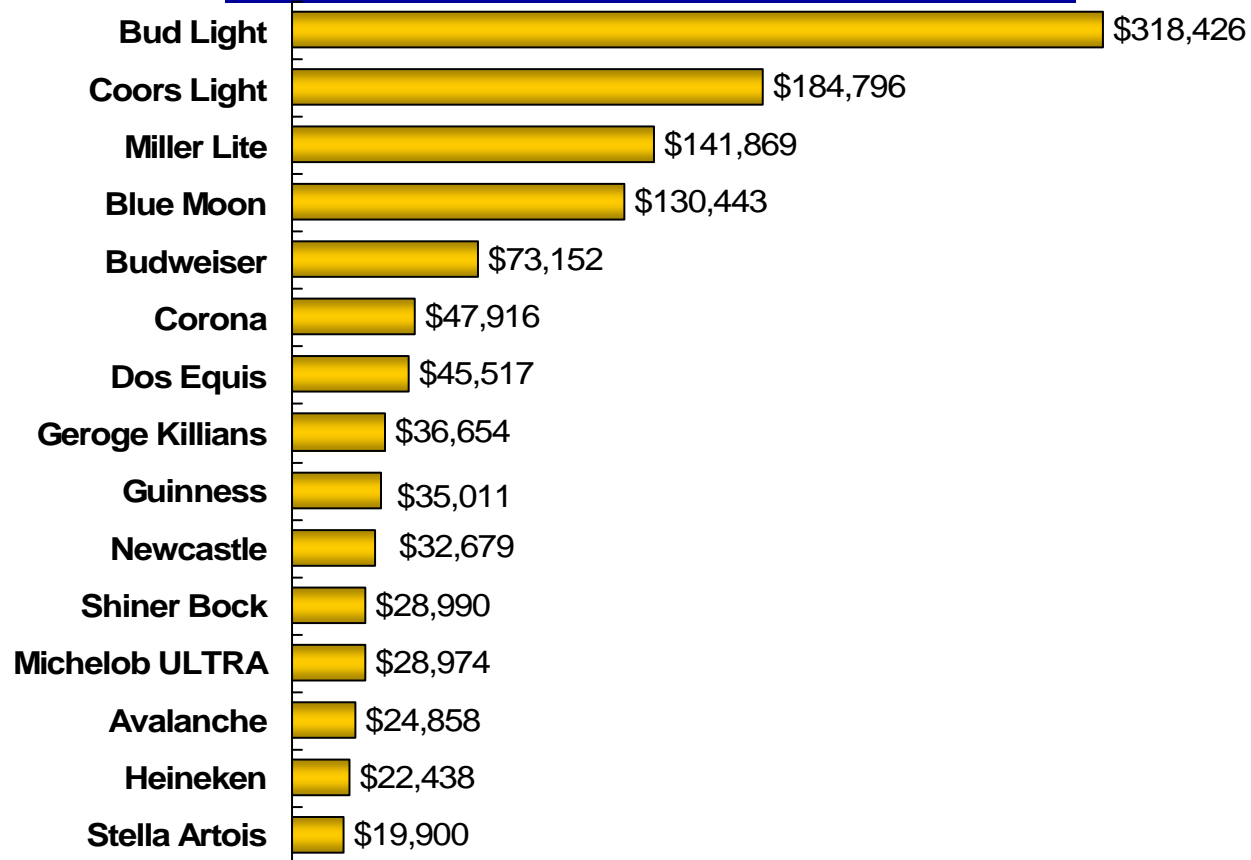


Note – Will not sum to 100 as multiple types could be selected on each order

# Top 15 Brands Ordered On-Premise Total Draught and Bottle Combined



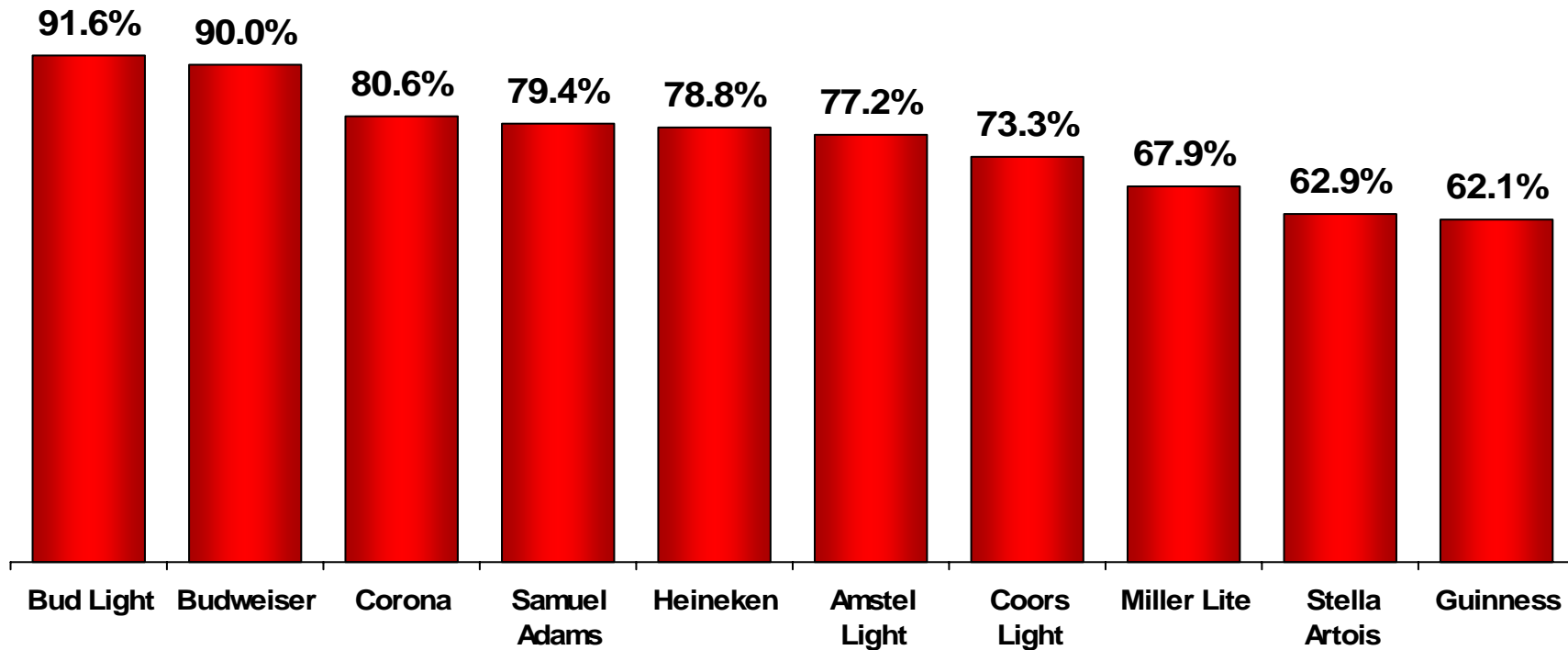
## Top 15 Brands Ordered - Dollar Sales



# *Beer Distribution: On-Premise Brand Presence*



## Top 10 Distributed Brands



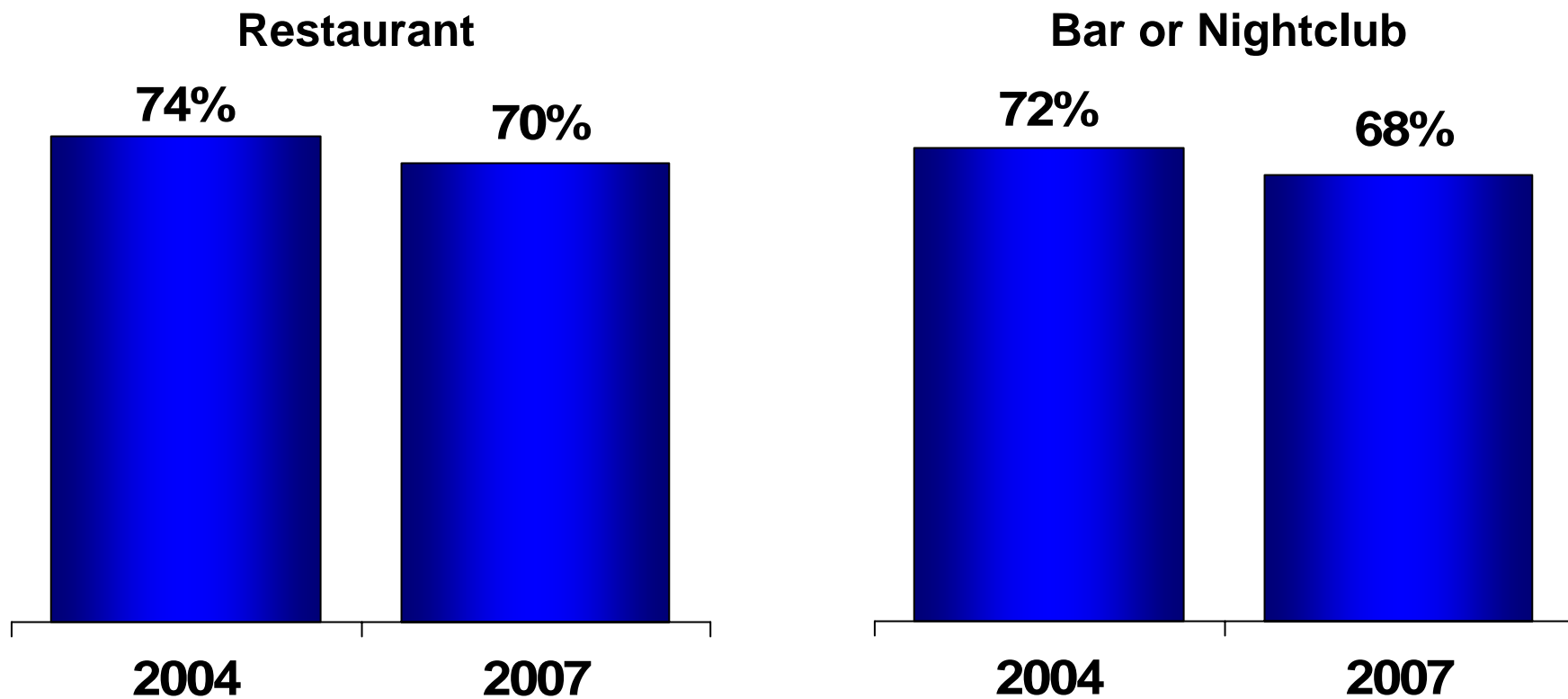
% of total responses: 5 market avg

# Many Consumers Already Know What They Are Going to Order!



- The number consumers that already know what brand they will order has dropped since 2004.

*"I typically know the specific brand I want to drink before entering a \_\_\_\_\_"*

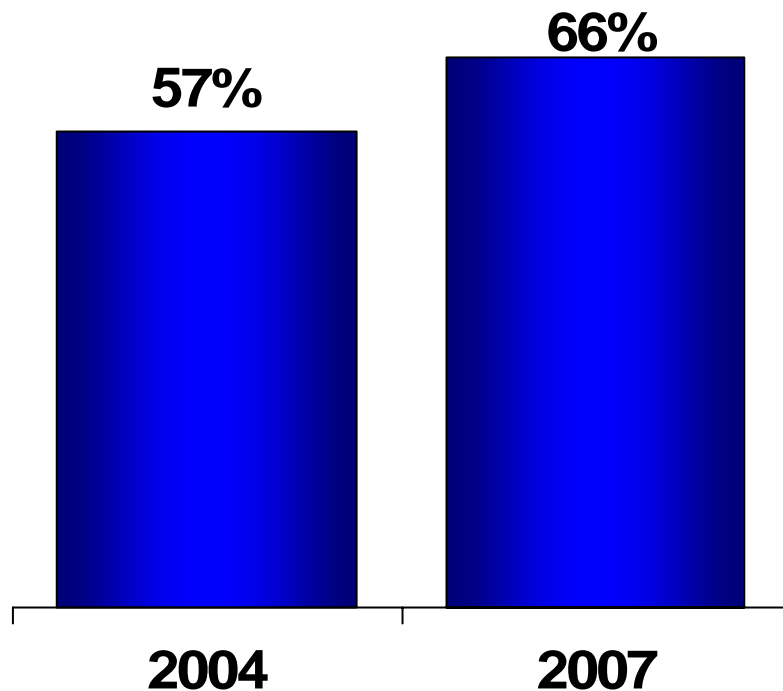


## *But More Consumers Are Affected by Promotions*

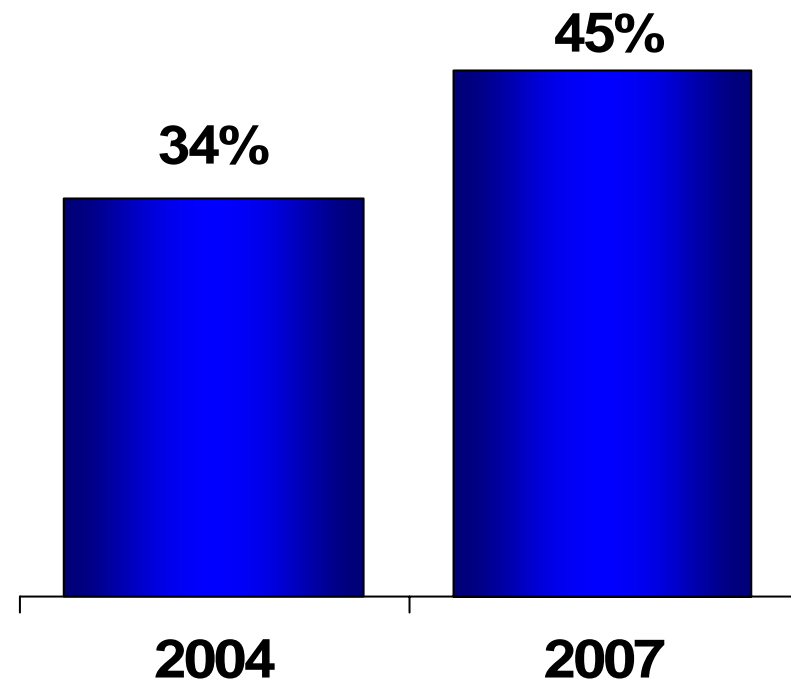


- From 2004 to 2007, the number of consumers affected by alcohol promotions has grown.

*“I check out beverage specials and promotions”*



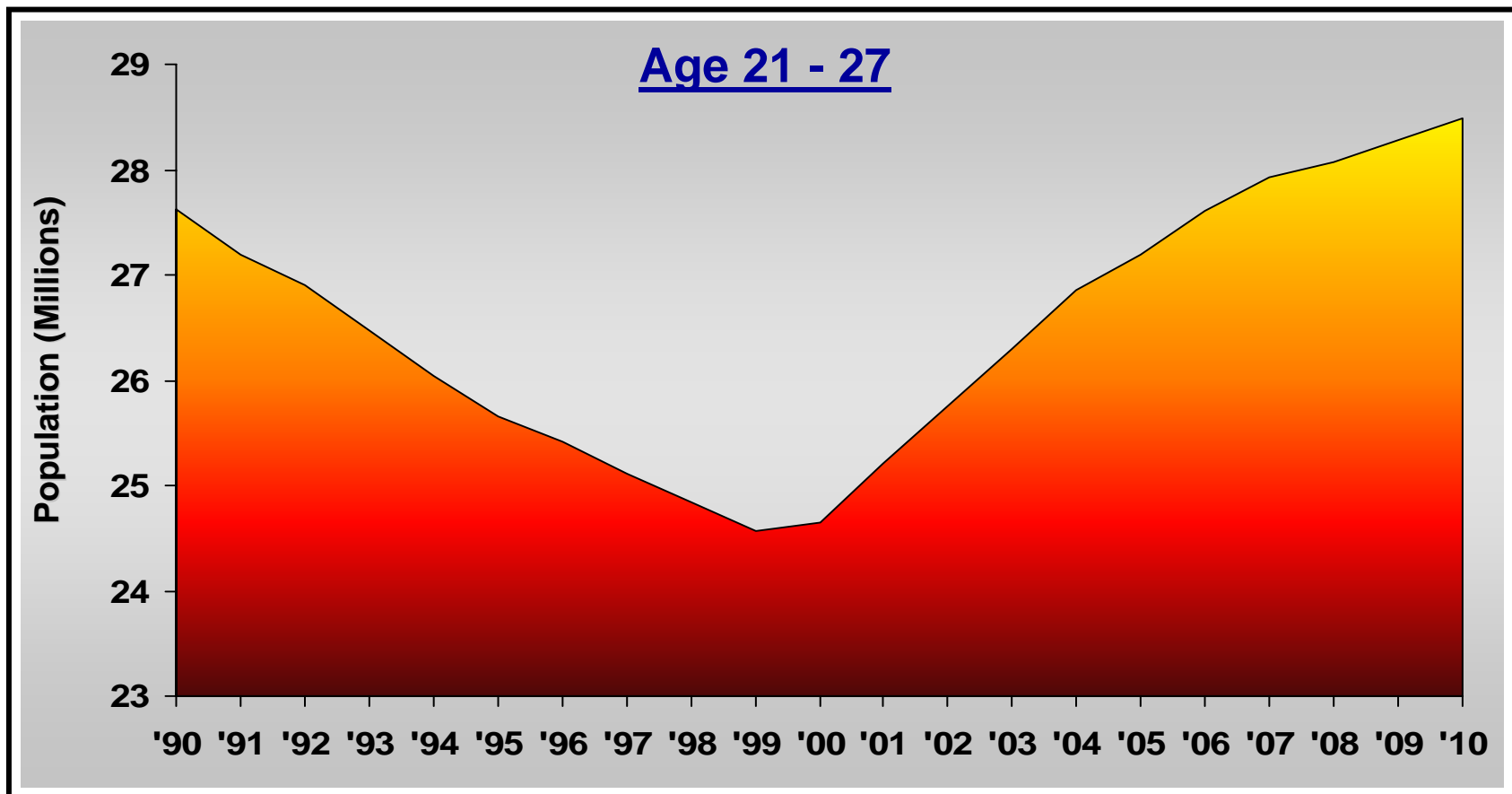
*“I have switched from my usual because of a drink special or feature”*



## *The Number Of Core Beer Consumers Is Expected To Continue Growing, Generating Greater Category Sales*



- After bottoming out in the late 1990's, the core 21-27 year old beer consumer demographic is projected to grow through the year 2010!

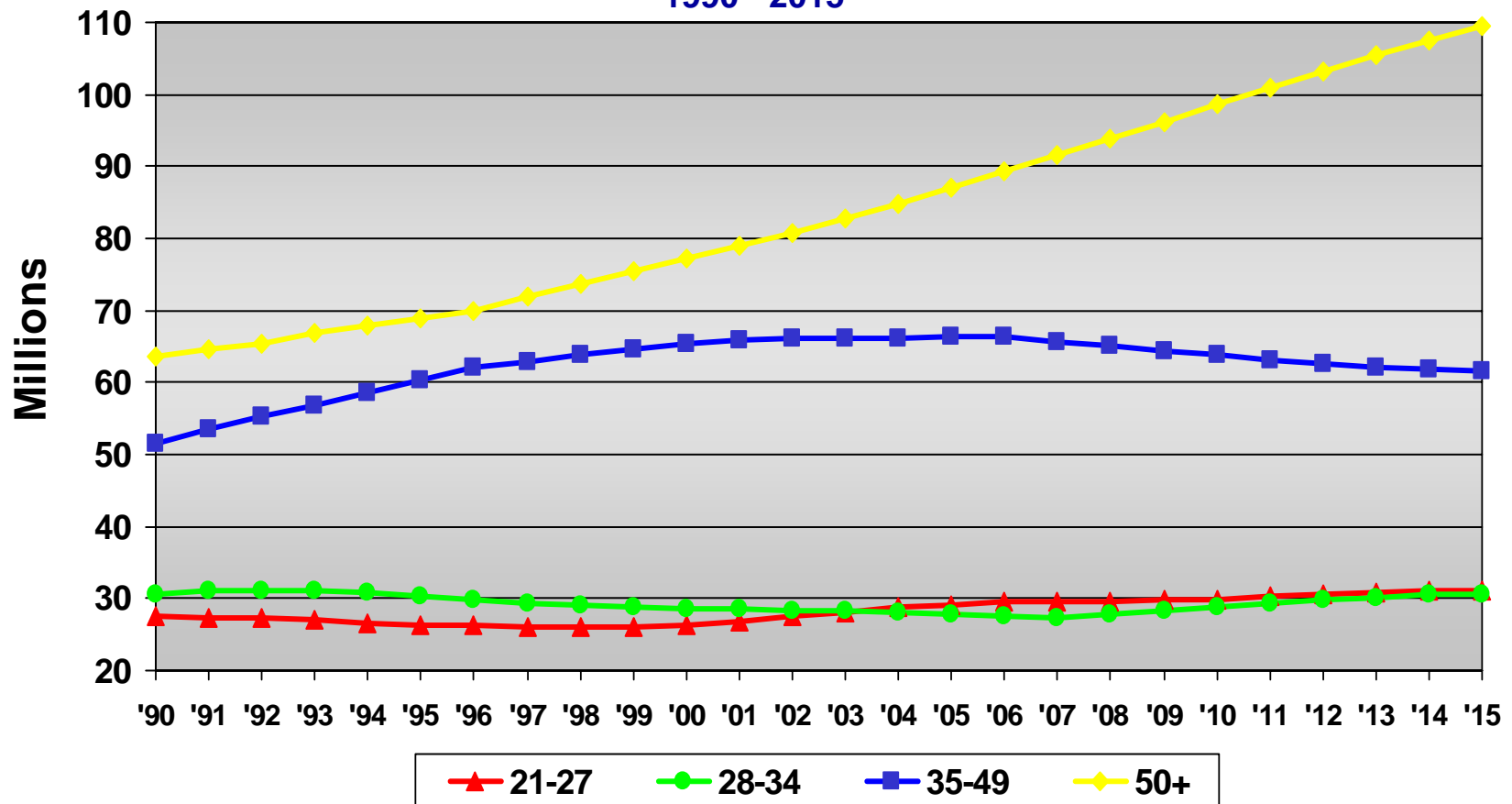


# Population Breakdown by Age Groups



## Projected Population by Age Group

1990 - 2015



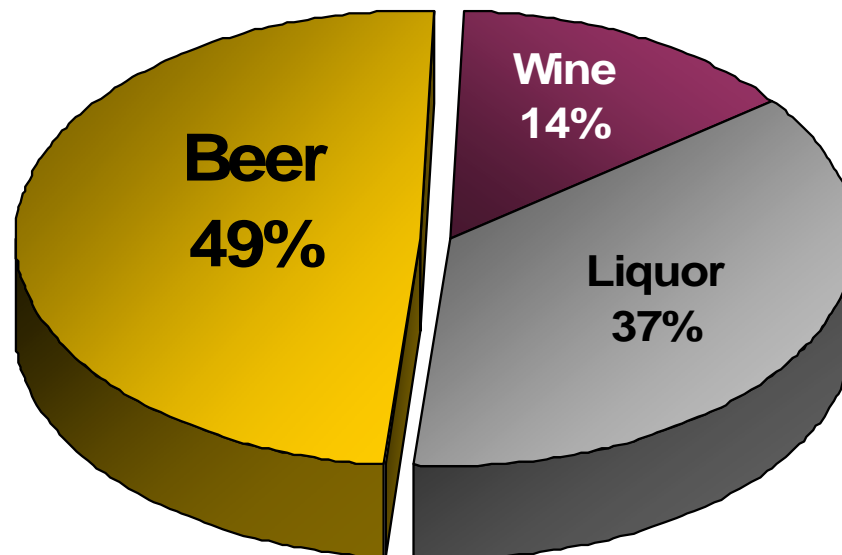
 The Highest Growth Rate is Projected for Age 50+

## *2007 On-Premise \$ Sales by Alcohol Type Total U.S.*



- Beer outsold wine at on-premise establishments by 3.5-to-1.
- Beer outsold liquor at on-premise establishments by nearly 1.5-to-1.
- Beer contributed almost 50% of the dollar sales for Total Beverage Alcohol.

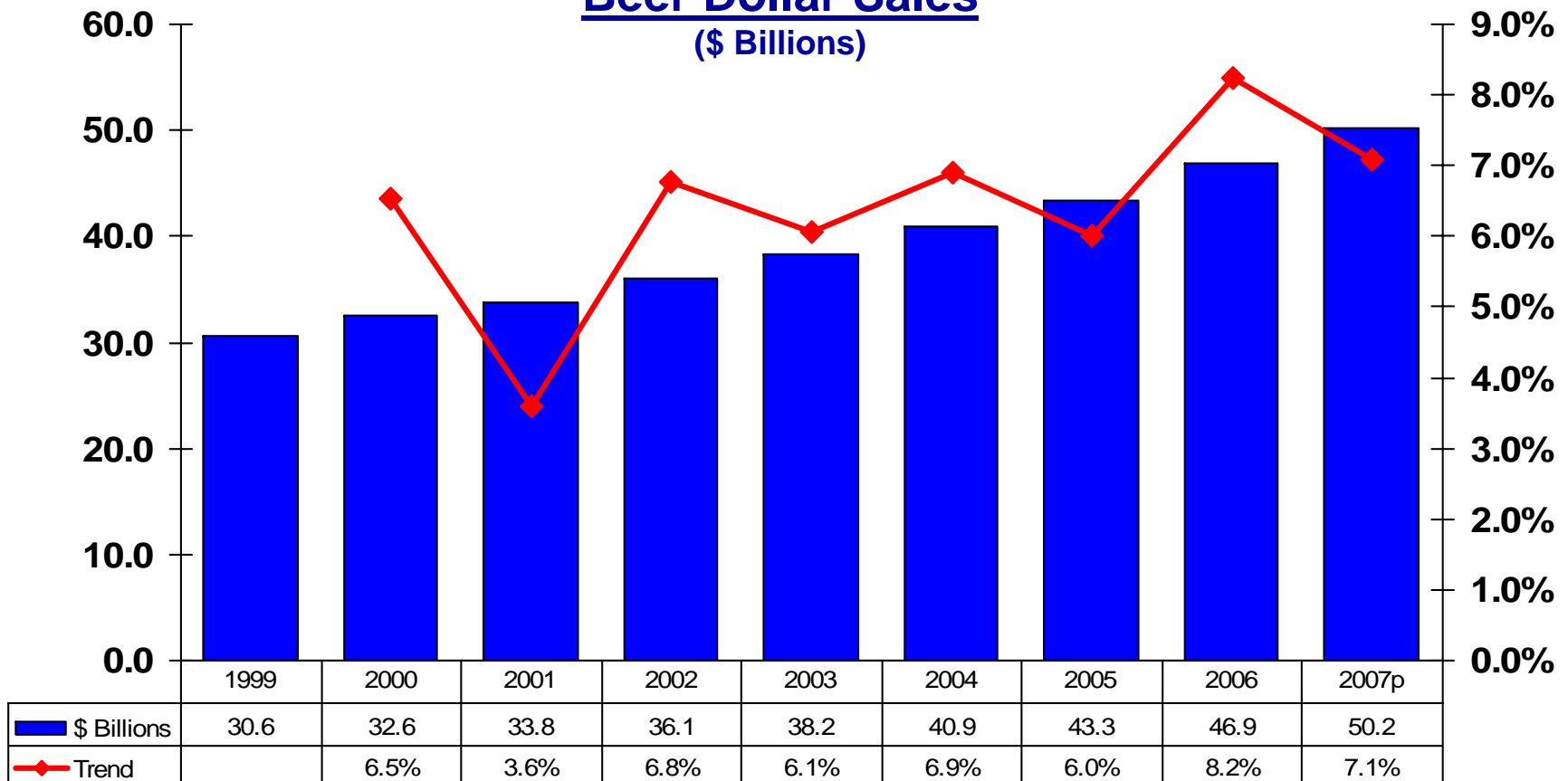
### On-Premise Share of Total Alcohol Dollars



# On-Premise Beer Retail \$ Sales Total U.S. – Through 2007



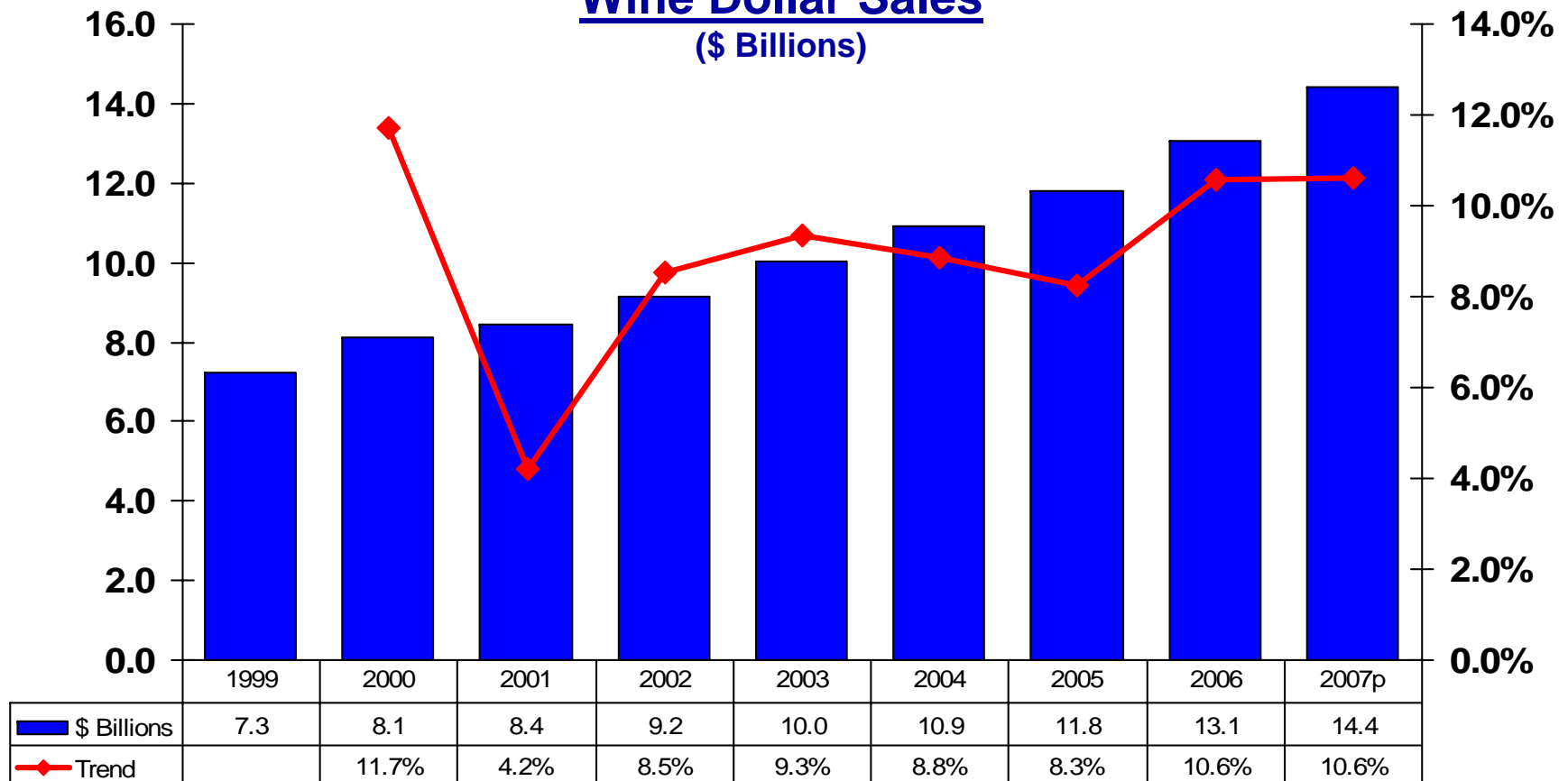
**Beer Dollar Sales**  
(\$ Billions)



# On-Premise Wine Retail \$ Sales Total U.S. – Through 2007



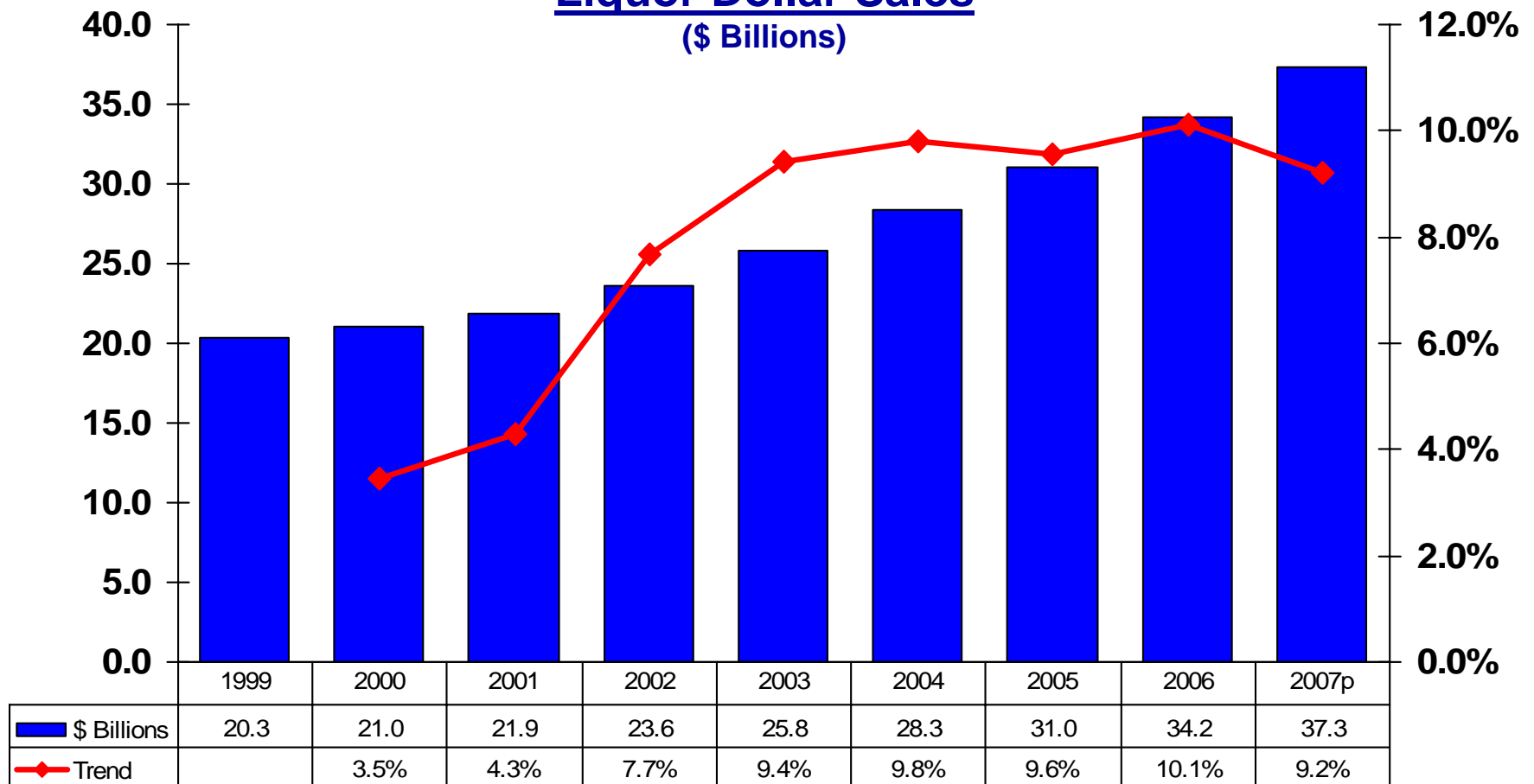
## Wine Dollar Sales (\$ Billions)



# On-Premise Liquor Retail \$ Sales Total U.S. – Through 2007



## Liquor Dollar Sales (\$ Billions)

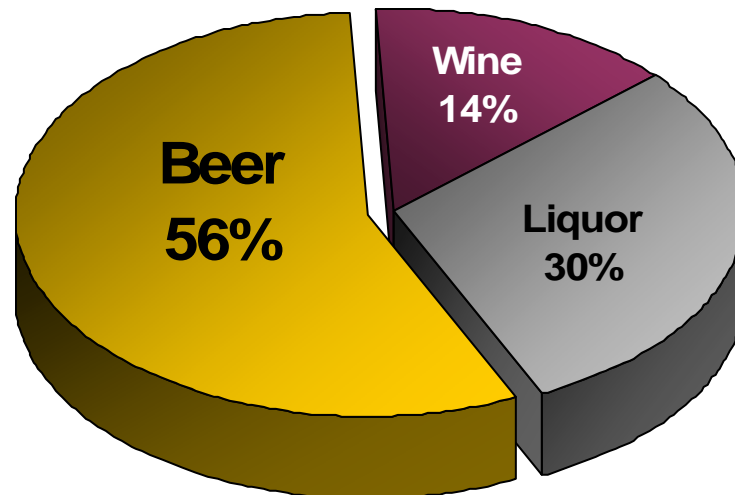


## 2007 On-Premise Serving Sales by Alcohol Type - Total U.S.



- Beer Servings were sold to on-premise establishments at a rate of 4 times that of Wine Servings.
- Beer Servings were sold to on-premise establishments at a rate of nearly 2 times that of Liquor Servings.
- Beer Servings in on-premise establishments made up nearly 60% of total alcohol servings (beer/wine/liquor).

### On-Premise Share of Total Alcohol Servings

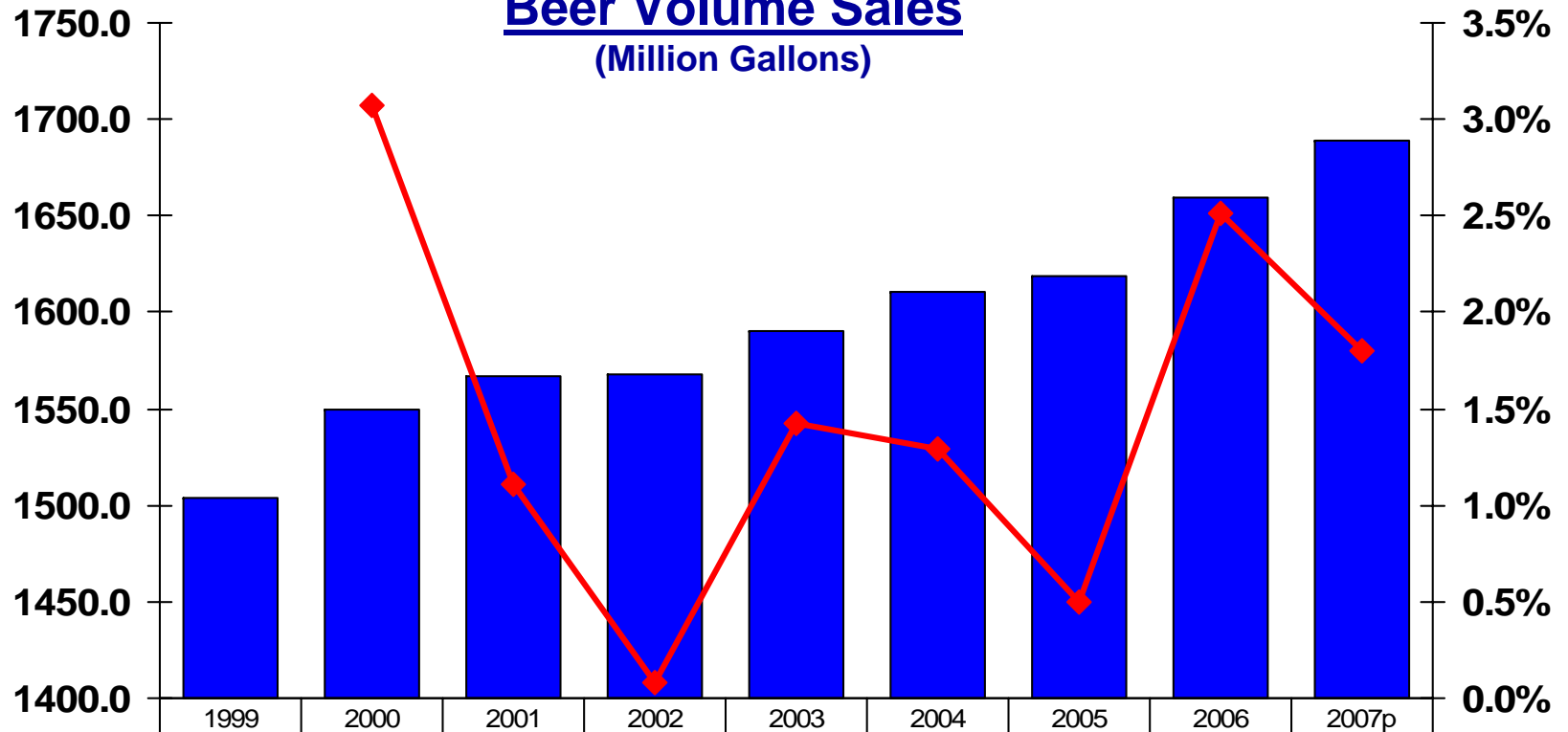


Serving Size: Beer=12oz, Wine=5oz, Liquor=1.5oz

# On-Premise Beer Volume Sales Total U.S. – Through 2007



**Beer Volume Sales**  
(Million Gallons)

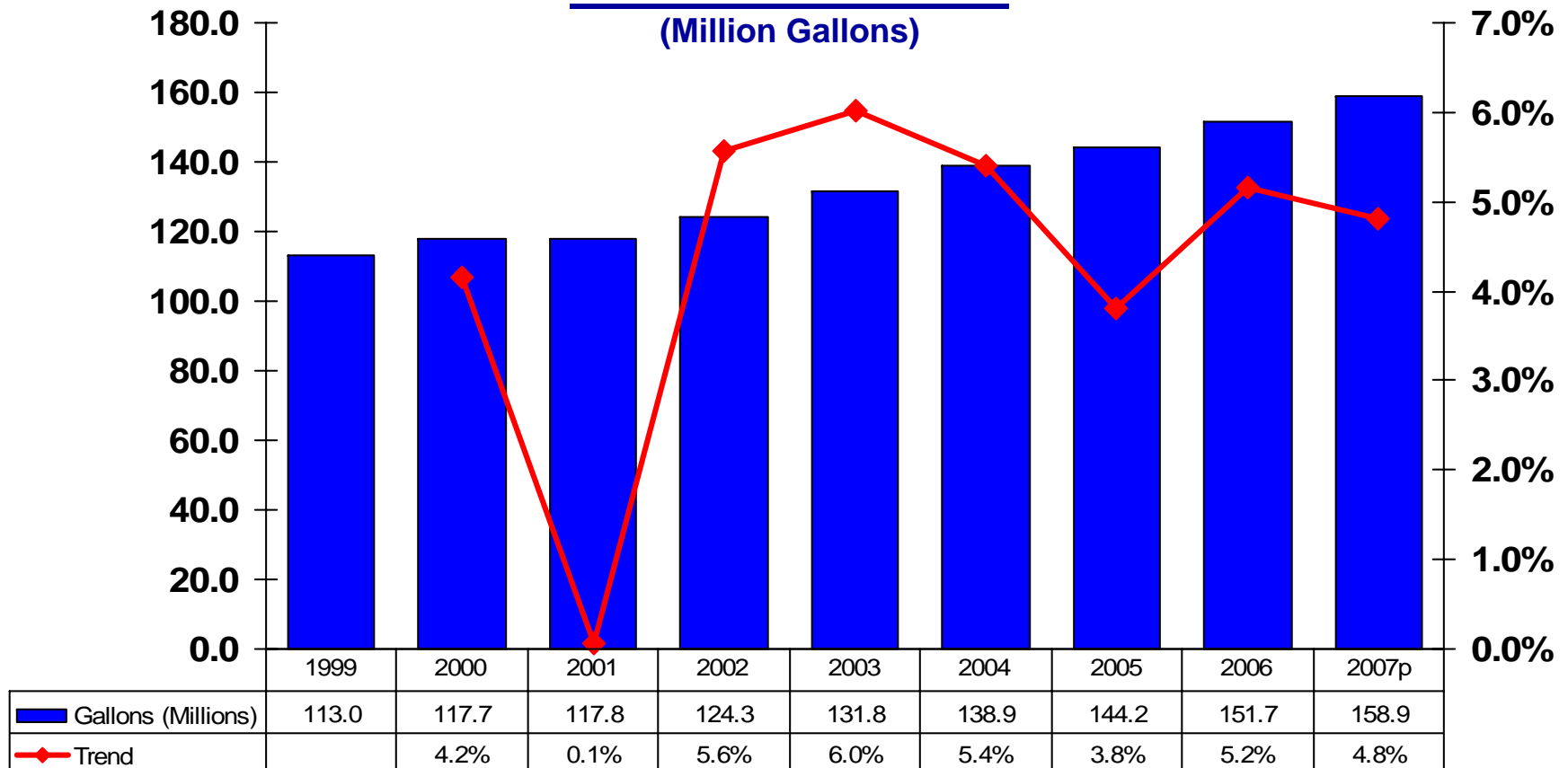


Gallons (Millions)	1,503.4	1,549.5	1,566.6	1,567.9	1,590.2	1,610.8	1,618.8	1,659.4	1,689.3
Trend		3.1%	1.1%	0.1%	1.4%	1.3%	0.5%	2.5%	1.8%

# On-Premise Wine Volume Sales Total U.S. – Through 2007



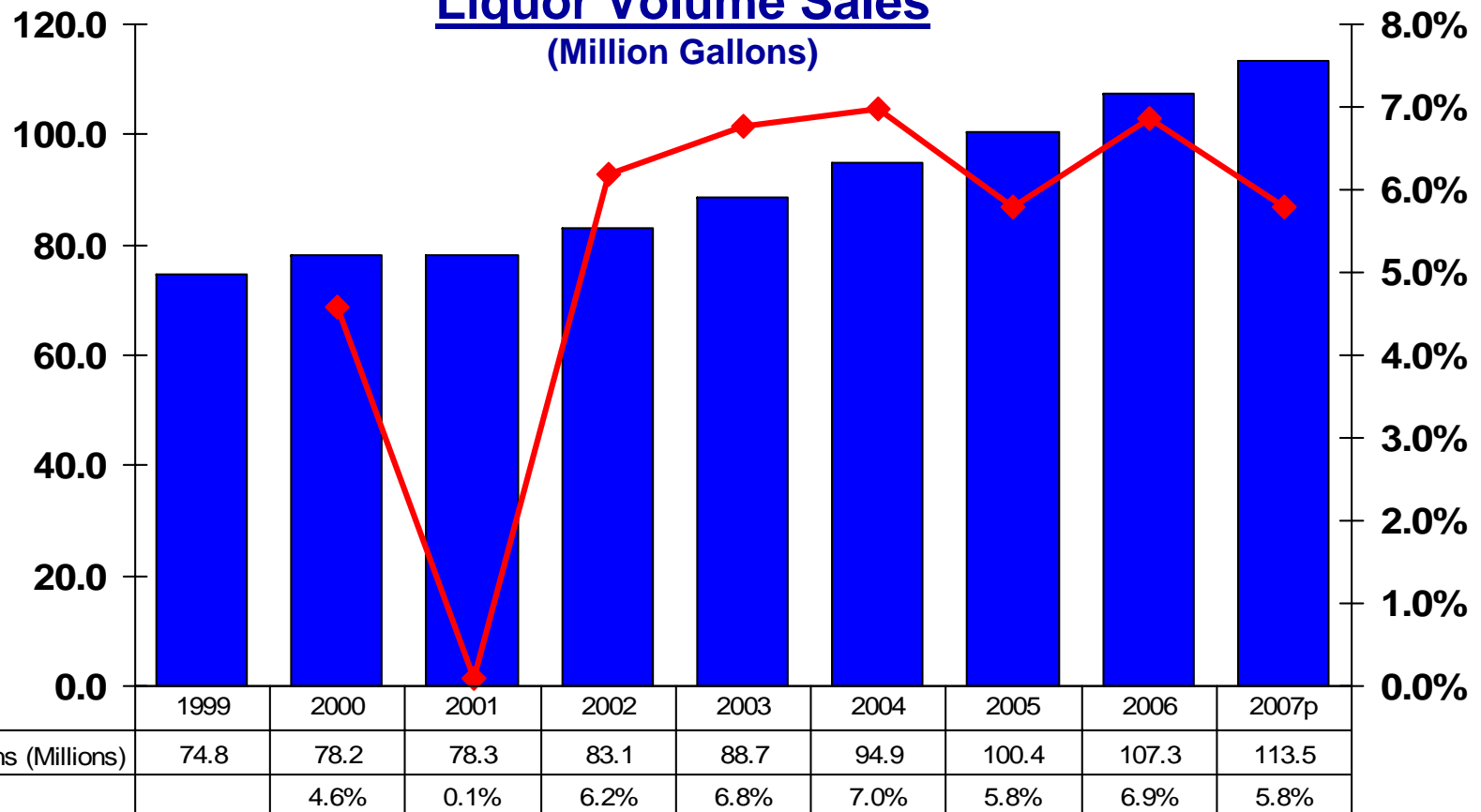
## Wine Volume Sales (Million Gallons)



# On-Premise Liquor Volume Sales Total U.S. – Through 2007



**Liquor Volume Sales**  
(Million Gallons)



Liquor Case = 9L

# *Summary*



- **Alcohol beverages experienced growth in the on-premise channel in 2007**
- **Beer plays a critical role in the on-premise channel – it is the only beverage category in the top 10**
- **Draft beer accounts for over 70% of on-premise beer sales**
- **Many consumers already know what drink they will order, but more are becoming affected by promotions**
- **Beer outsells wine and liquor on-premise representing almost 50% of total dollar sales in the alcohol category**
- **Beer retail dollar sales on-premise have been growing at over 6% for the last 6 years**
- **Beer serving sales represent 56% of total alcohol servings sold in 2007**