THE U.S. CRAFT BEER MARKET

2013 EDITION (Published December 2013. Data through 2012. Market projections through 2017.) More than 240 pages, with extensive text analysis, graphs, charts and more than 70 tables

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A dynamic segment of the beer business receives close examination in this report. Situating specialty beer in the context of the overall beer market, Beverage Marketing analyzes the growth drivers and elucidates the trends. It offers data on regional markets and packaging as well as volume figures for the leading craft beer brands. The report also features advertising and demographic data and five-year projections.

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INSIDE:

HAVE QUESTIONS?

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The answers you need

- What trends are driving the fast growth of the U.S. craft beer market?
- How many gallons of craft beer per person were consumed in 2012, and how is this likely to change in the future?
- Which is the biggest regional craft beer market?
- How did the leading specialty beer companies such as Boston Beer, Sierra Nevada, New Belgium and Craft Brew Alliance perform?
- Which distribution channel grew the fastest in 2012?
- How many specialty brewers are active in the United States, and how has this changed?

This report features

This report addresses industry developments and issues of interest to beer marketers, advertising executives, industry suppliers, financial analysts and anyone else with a special interest in the beer market. It contains:

- An overview of the national and regional beer markets, including volume, per capita consumption and growth for all beer, imports and craft beer.
- Discussion of the leading states in terms of volume and per capita consumption.
- Analysis of beer categories and the brands comprising
- Discussion and data breakdown of the packaged, draft and packaged & draft specialty beer market by segment including regional brews, national specialty beer, microbrews and brewpubs
- Current volume statistics for the leading craft companies including D.G. Yuengling & Son, Boston Beer, Sierra Nevada, Independent Breweries, New Belgium and more.
- Data for the top 30 microbreweries including Flying Fish Brewing, Natty Greene's Thomas Creek, Santa Fe Brewing, Mad River Brewing, Weyerbacher Brewing and more.
- A look at the top 30 U.S. brewpubs
- A look at packaged and draft beer trends nationally, regionally and by state.
- A look at beer pricing at the producer and consumer levels.
- A breakdown of the beer and craft beer markets by distribution channel.
- Analysis of advertising expenditures, detailed by company, brand and media.
- Comparisons of consumer demographics for all beer and specialty beer.
- **Beverage Marketing's** projections for the future of the craft beer industry through 2017.

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December 2013

BEVERAGE MARKETING CORPORATION

RESEARCH ● DATA ● CONSULTING

NOTE: The information contained in this report is confidential and solely intended for the benefit of the immediate recipient hereof.

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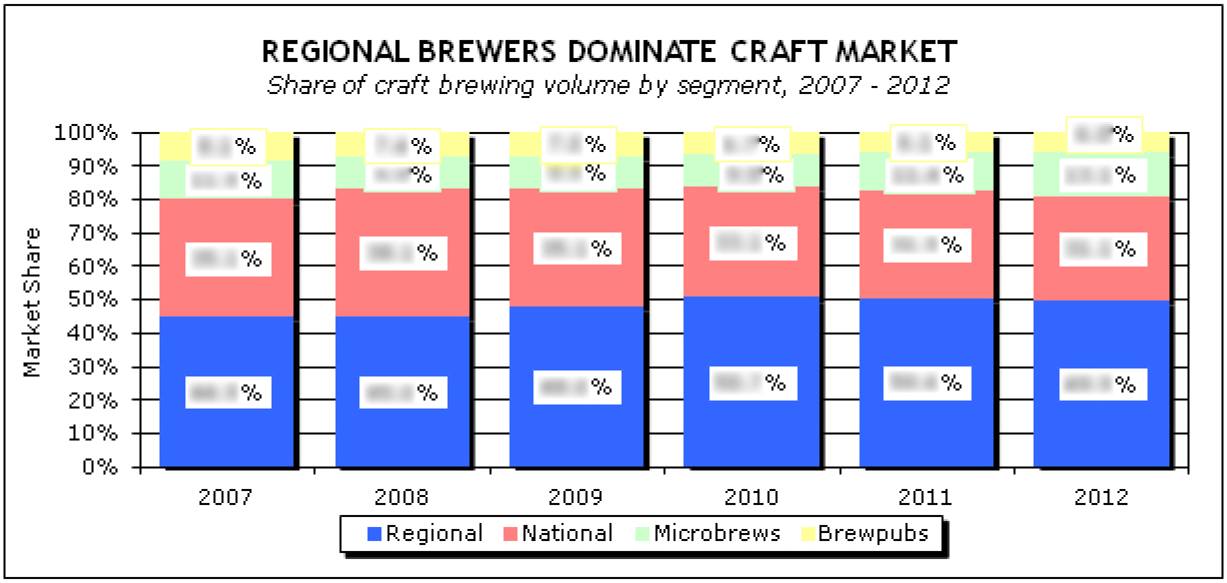
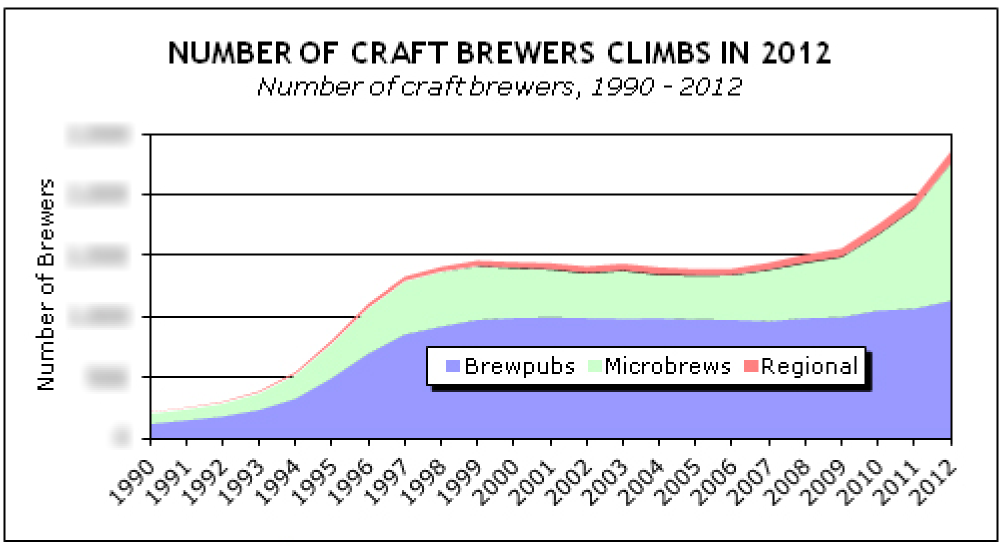
Some specialty brewers have recognized that cans offer them some of the same advantages that they do for bigger brewers.

- Cans have some advantages over glass. They are lightweight and much less fragile than bottles, they chill faster, and they are less expensive to purchase, handle, store and ship.
- Additionally, cans can be used in places where glass is prohibited, including sports arenas, golf courses, beaches and parks. Indeed, Scott Maitland, founder of Top-of-the-Hill Restaurant and Brewery in Chapel Hill, North Carolina, specifically cited the inaccessibility of craft beer on the golf course as the reason his brewery began packaging beer in cans. Portland Brewery, which Pyramid Breweries acquired in 2004, supplies Alaska Airlines with cans of its MacTarnahan's Amber Ale. Before its demise, Stroh canned Augsburger for Northwest Airlines. Gambrinus used cans with its domestic brands in efforts to reach for the sky. Shiner Bock in cans was offered by American Airlines, and Pete's Wicked Ale in cans has been sold on Continental flights.
- Dale Katechis, founder of Lyons, Colorado-based Oskar Blues Brewery, decided to "kick holes in the can's lowly image by shoving big, beefy beers into them." Oskar Blues packages Dale's Pale Ale and Old Chub Scottish Ale in cans. Others such as New Belgium, Blue Sky Brewing, Brooklyn Brewery, New England Brewing and Sherwood Forest Brewers also offer their beers in cans.
- Many foodservice and institutional outlets prefer cans to bottles because they are easier to store, handle and dispose of. Opaque cans protect beer from ultraviolet light, which can cause chemical reactions that produce a "skunky" aroma.
- In order to stay competitive with imported brands, specialty brewers may feel pressure to include more cans in their packaging mix. Modelo Especial and Heineken Premium Light are among the prominent imported labels sporting aluminum cylinders. The latter first arrived in green glass; Heineken added 12-ounce slim cans in 2007.
- Fast-growing New Belgium joined the ranks of specialty brewers using aluminum packages by putting its Fat Tire brand in cans. When New Belgium introduced Shift in 2012, it put the lager in cans, too.
- In 2011, Colorado's Mobile Canning System developed a mobile canning line, allowing smaller brewers to put their beer in cans without investing in their own machinery. In 2013, Michigan Mobile Canning brought the idea to the Midwest, in the form of a 16-foot truck equipped with canning technology.



Note: Does not include contract brewers
Source: Beverage Marketing Corporation



Source: Beverage Marketing Corporation

Exhibit 1.12

U.S. SPECIALTY BEER MARKET

SHARE OF VOLUME BY SEGMENT

2007 – 2012

Segment	2007	2008	2009	2010	2011	2012
Regional	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%
National	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%
Microbrews	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%
Brewpubs	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%
TOTAL	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%	[illegible]%

Source: Beverage Marketing Corporation; Institute for Brewing Studies