



CRAFT BEER

IN

THE SPANISH MARKET

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Spanish Market

- Major Brands
 - San Miguel/Mahou 10.65 million US barrels (12.5 million HL)
 - Heineken/Cruzcampo 9.29 million US barrels (10.91 million HL)
 - Estrella Damm 6.47 million US barrels (7.6 million HL)
 - Others 3.4 million (approx.) US barrels (4 million HL)
- Production and Consumption
 - Per capita consumption: 13.73 gallons (52 liters)
 - 4th in production in Europe
 - Total Hectoliters Produced 29.82 million US barrels 35 million HL
 - Total Hectoliters Imported 2.98 million US barrels 3.5 million HL
- Wine
 - 34.08 million US barrels (40 million HL)
 - Export
 - Huge surplus
 - 20% drop sales

Barcelona Market

- Estrella Damm (contract brews Budweiser) 80%
- Heineken/Amstel 8% (globally)
- San Miguel/Mahou 5%
- Moritz/ Estrella Galicia 5%
- Other Imports 3%
 - Cervezas Universales (former S&N portfolio) Presence
 - AmBev's Presence
- American Craft Beers- less than 1%
 - 2009 first significant year of introduction

Import Distribution Markets

- Regional
 - Madrid
 - North (Basque Country)
 - Galicia
 - Andalucía
- BARCELONA
 - 3 major distributors 35% -35%-25%
 - Home Ds 5%
- Condal Chef
 - Only major distributor working with US craft beer

Traditional Imports

- Total Annual Imports
 - 2.98 Million Barrels (3.5million HL)
- Germany - Aktien, Fürstenburg, Warsteiner
- Belgium - Chimay, Duvel
- Czech Republic - Pilsner Urquell
- Ireland - The declining role of Guinness

American Craft Beers in BCN

- Performance 2009
 - Sierra Nevada 650 cases (first US craft beer in Spain)
 - Anchor 120 cases
 - Flying Dog aprox 100 cases
 - Great Divide aprox 100 cases
 - Left Hand aprox 100 cases
 - Samuel Adams - scarce, labeling issues
- COMING SOON : ROGUE (Spring 2010)
 - First directly imported US craft beer

Changing the Market

- Customer Education
- Quality Control Agreement
- Targeting POS Customers
 - Finding the right customer
- End Consumer Profile
 - Men 25-40
 - Women ?
- Beer Tasting/Food Pairing Events
- Michelin Restaurants
- Sommeliers
- Growth of Specialty Bars, Beer Stores

Pricing

- Wholesale List prices
 - National beer 24 x 33cl +/-17€
 - Heineken 24 x 33cl +/-20€
 - German Import 24 x 33cl +/-30€
 - Mainstream Belgian Import (non-lager) 24 x 33cl +/-40€
 - American Craft Beer 24x12oz 50€and up

Infrastructure

- Non-Temperature controlled import from Continental Europe
- Temperature Controlled Sea Container
- Temperature Controlled Warehousing 50°F
- Temperature Controlled Trucks
- Client's storage limitations - bottles
- Common European Draft Beer Delivery System

Exporter Basics

- Transport time 35 days West Coast/20 days East Coast
- Custom's Clearance - 10 days (approx.)
- Labeling
 - Spanish translation of ALL ingredients
 - Importer's name, health license and tax ID
 - ABV
 - Expiration date DD/MM/YY OBLIGATORY on each bottle

Tax Structure

- Plato-Based Tax System

Family	Plato Degrees	Cost per .26 Gallons (Liter)	Cost per Case
A3	2.8° to 11°	0,0748€	0.58€
A4	11.01° to 15°	0,0996€	0.71€
A5	15.01° to 19°	0,1356€	1.02€
A6	19°+	Liters x ° Plato x 0,91€*	-----

- Value Added Tax (VAT) 16%
 - European Community Imports Free From VAT
 - Imports From Outside Europe VAT Collected On Invoiced Amount
 - All Wholesale/Retail Beer Sales Subject to VAT

Future Growth

- Wine in decline
- "Better Beer" consumption continues to grow
- A market similar to the east coast of the US in 1990
- Changing tastes - the introduction of the hop
- Price/Value vs. Wine in a difficult economy
- Customers continue to seek out new beers and flavors
- Fledgling micro brew scene
- Projected 2010 growth at least 100%