CRAFT BEER CONSUMERS: WHO ARE THEY, WHERE ARE THEY, AND WHAT ABOUT THE FUTURE?
NIELSEN MEASURES WHAT PEOPLE WATCH & BUY
**Retail Sales**

- $35B
- 1.6B cases*

- $14B
- 179MM cases*

- $12B
- 75M cases*

* Beer is 288 oz case; wine and spirits are Eq 9L cases

Source: Nielsen Total U.S. xAOC + Conv + Liquor + Military; 52 weeks thru 9-13-2014

**Consumer Insights**

- 1MM HH’s representative of U.S. geographically and demographically
- Ongoing purchase data
- Geo-demographic segmentation
- Fast/flexible consumer surveys

- Food, Drug, Convenience
- Walmart, Target
- Sam’s, BJ’s
- Military Exchanges
- Variety of Liquor markets and accounts across U.S.
OUR FOCUS TODAY – THE “WHO”
CRAFT BEER CONSUMERS: WHO ARE THEY, WHERE ARE THEY, AND WHAT ABOUT THE FUTURE?

1. CRAFT BEER IN THE BIGGER PICTURE
2. WHO IS BUYING CRAFT BEER?
   - WHY AND WHERE?
   - HOW IS THAT CHANGING?
   - WHAT ARE SOME KEY OPPORTUNITY AREAS?
3. “WHERE” IN SEARCH OF THE “WHO”
CRAFT BEER IN THE BIGGER PICTURE
CRAFT BEER IS A BRIGHT AND SHINY STAR FOR MULTI-CATEGORY RETAILERS

Volume Basis

<table>
<thead>
<tr>
<th></th>
<th>VOLUME</th>
<th>DOLLARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL CATEGORIES</td>
<td>-0.1%</td>
<td>+1.4%</td>
</tr>
<tr>
<td>BEER*</td>
<td>+/-0%</td>
<td>+3.0%</td>
</tr>
<tr>
<td>CRAFT BEER</td>
<td>+12.5%</td>
<td>+16.8%</td>
</tr>
</tbody>
</table>

* Beer incl. FMB, Ciders

Source: Nielsen Scantrack - Total U.S. – All Outlets Combined; 52 w/e 10-25-2014 versus prior year; UPC-coded; 127 categories Beer: 52 w/e 10-11-2014; Nielsen measured all outlets (Food, Drug, Mass, Walmart, Club, Dollar, Liquor, Conv, Military)
WINE/SPIRITS HAS BEEN WINNING THE BEV AL WARS

Share of Beverage Alcohol - # Drinks*

- **2002**
  - Beer: 60%
  - Wine: 27%
  - Spirits: 13%

- **2007**
  - Beer: 57%
  - Wine: 14%
  - Spirits: 29%

- **2012**
  - Beer: 51.9%
  - Wine: 33.2%
  - Spirits: 14.9%

- **2013**
  - Beer: 49%
  - Wine: 15%
  - Spirits: 37%

*Beer: 12 oz; Wine: 5 oz; Spirits: 1.5 oz

Preliminary
YOUNGER GENERATIONS – ESPECIALLY MILLENNIALS – HAVE DRIVEN WINE/SPRIT GAINS

Dollar Share Change 2013 vs 2003; total Bev Al =100%

Source: Nielsen Generations Study – Homescan Panel ; Beer incl Ciders and FMB’s
BUT CRAFT BEER HAS MADE TREMENDOUS INROADS OVER THE LAST DECADE – ESPECIALLY YOUNGER LDA’S

Craft Beer* Dollar Share Change: 2013 vs 2003
Craft = BA + Domestic Specialty

Craft Beer Share of Bev Al = 100%
Craft Beer Share of Beer = 100%

How to Read -
craft beer $ share among 37-48 year olds increased +4.2 points of total bev al since 10 years ago, and 11.5 points of beer

Source: Nielsen Generations Study – Homescan Panel; Beer incl Ciders and FMB’s
RECENT CONSUMER RESPONSES SUPPORT CONTINUED POSITIVE CRAFT BEER MOMENTUM

How much more or less craft beer do you drink now compared to a couple years ago?

Percentages among those (21+) drinking Craft Beer

- A lot/little more: 42%
- A lot more: 17%
- A little more: 25%
- About the same: 44%
- A lot/little less: 14%
- A little less: 7%
- A lot less: 7%

Source: Nielsen Quick Query; Fielding Period: November 11—13, 2014
Respondent Base: 572 Craft Beer drinkers
CRAFT BEER IS GAINING VOLUME BOTH FROM CATEGORY EXPANSION AND SHIFTING FROM OTHER BEER SEGMENTS; BE WARY OF FMB’S AND CIDERS

Craft Beer Shifting (Dollars)

**Shifting to/from Craft Beer**
- **48%**

**DM Premium**
- **41%**

**Imports**
- **20%**

**Super Premium**
- **14%**

**Below Premium**
- **41%**

**FMB/Coolers**
- **-7%**

**Ciders**
- **-11%**

**All Other**
- **1%**

**New (to Beer) Category Buyers**
- **-2%**

**New (to Craft) Buyers**
- **16%**

**Retained Craft Buyers**
- **38%**

**Craft Beer Expansion**
- **54%**

Shifting = 100%

Source: Homescan Panel, TTL U.S., P1= 52 wks ending 09/28/13; P2= 52 wks ending 09/27/14

High interaction
Penetration (off premise)
Annual % of Beer Buying HH’s buying Craft

- 2010: 29%
- 2012: 33%
- Lat 52 weeks: 38%

Annual Trips

- 2010: 3.7
- 2012: 3.9
- Lat 52 weeks: 4.2

Dollars per Trip

- 2010: $13.30
- 2012: $14.07
- Lat 52 weeks: $14.81

Loyalty

- 2010: 33%
- 2012: 35%
- Lat 52 weeks: 41%

- 38% of Beer buying HH’s bought a Craft beer in the last year
- The average spending on Craft beer per shopping trip was $14.81
- On average, there were 4.2 Craft beer shopping trips during the year
- 41% of Craft beer buyers overall Beer $$ spending sourced to Craft beers

Source: Nielsen Homescan Panel – Latest 52 weeks thru 9-27-2014; Craft including Domestic Specialty; Beer excludes FMB’s and Ciders
AMONG MULTIPLE REASONS FOR BUYING CRAFT BEER, VARIETY, TASTE, AND A “TREAT” TOP THE LIST

What are the primary reasons you or others in your HH buy Craft beer? (select all)

- Like to experiment with different styles, flavors,... 50%
- Tastes better 46%
- Like the seasonal offerings 40%
- It’s a treat for special occasions at my home 36%
- It’s nice to have at home when relaxing without guests 31%
- Like something local 28%
- Made with higher quality ingredients 22%
- A treat for special occasions when out (rest, bar, etc) 21%
- A treat for special occasions to bring to others' homes 20%
- Pairs well with Food 19%
- Usually buy other beer, but prefer Craft to impress... 3%

Source: Nielsen Household Panel, Survey (March 2013); Total U.S.
VARIETY IS A CONSTANT THEME IN MOTIVATING FURTHER PURCHASES....

What would increase your interest in purchasing Upscale Beer? (select all)

- More flavor options: 32%
- More seasonal offerings: 28%
- More trial packages: 26%
- Broader availability: 23%
- More ability to mix and match...: 23%
- More low calorie options: 20%
- More education on styles and brands: 13%
- More sweet products: 10%
- More high calorie options: 2%

Source: Nielsen Household Panel, Survey (April 2013); Total U.S.
WHO IS THE CRAFT BEER CONSUMER
JUST OVER 1/3 OF BEER BUYERS CLAIMED A CRAFT BEER PURCHASE OVER A 12 MONTH PERIOD

% of Beer buyers claiming to purchase Craft Beer

On plus Off Premise

Craft: 34%
DM Specialty: 24%
Imported: 46%
Domestic Other: 77%

Source: Nielsen Household Panel, Survey (March 2013); Total U.S.
THERE IS SIGNIFICANT VARIATION IN THE SOURCE OF THAT THIRD OF BEER CONSUMERS

Which of the following types of beer (if any) have you or anyone in your household purchased in the past 12 months?

% of Beer buyers purchasing Craft Beer (on + off premise)

<table>
<thead>
<tr>
<th></th>
<th>HIGHS (vs 34% avg)</th>
<th>LOWS (vs 34% avg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income $100K+</td>
<td>51%</td>
<td>Incomes &lt;$50K</td>
</tr>
<tr>
<td>Millennials</td>
<td>47%</td>
<td>Greatest Generation</td>
</tr>
<tr>
<td>Asians</td>
<td>47%</td>
<td>African American</td>
</tr>
<tr>
<td>Affluent Suburbanites</td>
<td>44%</td>
<td>Rural Living</td>
</tr>
<tr>
<td>Cosmopolitan Centers</td>
<td>42%</td>
<td></td>
</tr>
</tbody>
</table>

How to Read - 42% of Beer buyers (21+) living in Cosmopolitan Centers bought Craft beer in the past 12 months

Source: Nielsen Household Panel, Survey (March 2013); Total U.S.; prior 12 months purchasing
CRAFTS ARE BEST DEVELOPED AMONG MILLENNIAL/GEN X’ERS, BUT BOOMERS STILL REPRESENT CLOSE TO 1/3 OF OVERALL VOLUMES

CRAFTS (incl DM SPECIALTY) – AGE/GENERATIONS; Index to % Adults

<table>
<thead>
<tr>
<th>AGE 21+</th>
<th>% Adults</th>
<th>TTL BEER</th>
<th>CRAFT*</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-34</td>
<td>25.6%</td>
<td>35.1%</td>
<td>137</td>
</tr>
<tr>
<td></td>
<td></td>
<td>35.5%</td>
<td>138</td>
</tr>
<tr>
<td>35-44</td>
<td>18.0%</td>
<td>20.7%</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24.3%</td>
<td>135</td>
</tr>
<tr>
<td>45-64</td>
<td>37.1%</td>
<td>33.3%</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31.6%</td>
<td>85</td>
</tr>
<tr>
<td>65+</td>
<td>19.2%</td>
<td>10.8%</td>
<td>&lt;80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8.6%</td>
<td>&gt;120</td>
</tr>
</tbody>
</table>

Source: Nielsen Spectra /Simmons (Data Version: Sept 2014); on plus off-premise
MILLENNIALS

...requires every industry to think “differently”
70 MM STRONG

...always connected
...techno–savvy
...multi-taskers
...positive; optimistic – enjoy life, fun
...social minded; “green” minded
...self-confident
...most educated
...VERY diverse, and accepting
...gender role shifts
...more liberal
...self-expressive
...embrace “personalization”
...love to “capture” life, and “share” it
...craves feedback – if it’s good?
...values authenticity – be genuine & real
...experimental, adventurous
...conversational - talk with, not to – but succinctly

expressive, authentic, experiential

no strings

attached
MILLENNIALS ARE ADVENTUROUS – GOOD FOR TRIAL BUT YOU NEED TO WORK HARD TO RETAIN LOYALTY; THEY‘RE ALSO ENVIRONMENTALLY CONSCIOUS

<table>
<thead>
<tr>
<th>Top 2 box – Beer buyers¹</th>
<th>Millennial (21-28)</th>
<th>Millennial (29-36)</th>
<th>Gen X (37-48)</th>
<th>Boomer (49-67)</th>
<th>Grt Gen (68+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like to explore new/different products</td>
<td>61%</td>
<td>51%</td>
<td>44%</td>
<td>37%</td>
<td>25%</td>
</tr>
<tr>
<td>Prefer small/local brands</td>
<td>43%</td>
<td>32%</td>
<td>29%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>Like to try new flavors</td>
<td>64%</td>
<td>53%</td>
<td>45%</td>
<td>35%</td>
<td>24%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 2 box – General Pop’n²</th>
<th>Millennial (21-24)</th>
<th>Millennial (25-34)</th>
<th>Gen X (35-49)</th>
<th>Boomer (50-64)</th>
<th>Grt Gen (65+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-willing to pay extra for products/services from companies committed to positive social and environmental impact</td>
<td>66%</td>
<td>53%</td>
<td>40%</td>
<td>33%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: 1) Nielsen Generations Study – Homescan Panel; 2) Nielsen Consumer Confidence Study (Q1 2014) – U.S. Results
EXPERIMENTATION WITH STYLES/FLAVORS, AS WELL AS “LOCAL” RESONATES STRONGLY WITH MILLENNIALS

What are the primary reasons you or others in your HH buy Craft beer? (select all)

- Like to experiment with different styles, flavors,…
- Tastes better
- Like the seasonal offerings
- It's a treat for special occasions at my home
- It's nice to have at home when relaxing without guests
- Like something local
- Made with higher quality ingredients
- A treat for special occasions when out (rest, bar, etc)
- A treat for special occasions to bring to others' homes
- Pairs well with Food
- Usually buy other beer, but prefer Craft to impress…

Source: Nielsen Household Panel, Survey (March 2013); Total U.S.
THE CRAFT CONSUMER IS MUCH MORE HEALTH AND WELLNESS CONSCIOUS THAN THE OVERALL BEER CONSUMER

NMI’s Health & Wellness Consumer Segmentation

<table>
<thead>
<tr>
<th>Segment</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>WELL BEINGS®</td>
<td>Most health pro-active</td>
</tr>
<tr>
<td></td>
<td>Market leaders &amp; Influencers</td>
</tr>
<tr>
<td></td>
<td>Highest organic usage</td>
</tr>
<tr>
<td></td>
<td>Most Green</td>
</tr>
<tr>
<td>FOOD ACTIVES®</td>
<td>Mainstream healthy</td>
</tr>
<tr>
<td>FENCE SITTERS®</td>
<td>‘Wannabe’ healthy</td>
</tr>
<tr>
<td>MAGIC Bullets®</td>
<td>Conveniently healthy</td>
</tr>
<tr>
<td>EAT, DRINK &amp; BE MERRYS®</td>
<td>Least health active</td>
</tr>
<tr>
<td></td>
<td>Unconcerned about prevention</td>
</tr>
<tr>
<td></td>
<td>Most price driven</td>
</tr>
</tbody>
</table>

Buying Rate Index to “All Buyers” = 100

<table>
<thead>
<tr>
<th>BEER</th>
<th>86</th>
<th>91</th>
<th>102</th>
<th>104</th>
<th>113</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRAFT BEER</td>
<td>120</td>
<td>106</td>
<td>100</td>
<td>83</td>
<td>87</td>
</tr>
</tbody>
</table>

How to read: Craft buyers spending per HH among the “health conscious” segment is 20% more than the avg spending per HH

Source: Natural Marketing Institute Segmentation and Nielsen Homescan Panel (Annual 2013)
WHO’S COMING NEXT...HELLO GEN Z

Born mid to late 1990’s

- Significant in size - nearly ¼ of US population
- Even more entrepreneurial than millennials
- VERY diverse; with a Global mindset - 42% are Hispanic, Afr-Am, or Asian
- Digitally connected constantly – they multitask across at least five screens daily; spend 41% of their time beyond school with computers or mobile devices
- Prefer visuals over text
- Prefer to work independently -- Generation is very individualized
- Self educators - 52% use You Tube or social media for research assignments
- They prefer home-cooked foods over processed, ready-to-eat meals
- They lack brand loyalty; authenticity is key to gaining loyalty
- First generation to grow up with “two way brand” conversation; must be a part of the brand conversation

Source: JWTconnections.com; Forrester Research; Millennial Branding / Internships.com; Visual Capitalist
BEER, INCL. CRAFTS, ARE STILL VERY MALE-CENTRIC. WINE & CERTAIN SPIRIT SEGMENTS (EG VODKA) SERVE BOTH MALES AND FEMALE MORE EQUALLY, AS DO FMB’S AND CIDERS

<table>
<thead>
<tr>
<th>GENDER 21+</th>
<th>% Adults</th>
<th>TTL BEER % Volume</th>
<th>INDEX</th>
<th>CRAFT % Volume</th>
<th>INDEX</th>
<th>FMB INDEX</th>
<th>CIDER INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALE</td>
<td>48.0%</td>
<td>68.2%</td>
<td>142</td>
<td>71.6%</td>
<td>149</td>
<td>90</td>
<td>101</td>
</tr>
<tr>
<td>FEMALE</td>
<td>52.0%</td>
<td>31.8%</td>
<td>61</td>
<td>28.4%</td>
<td>55</td>
<td>110</td>
<td>99</td>
</tr>
</tbody>
</table>

Source: Nielsen Spectra /Simmons (Data Version: Sept 2014); on plus off-premise
# A Study in Ethnic Contrasts; Crafts Skewed Very “White”, Very Different

## CRAFTS (incl DM SPECIALTY) – RACE/ETHNICITY; Index to % Adults

<table>
<thead>
<tr>
<th>RACE/ETHNICITY 21+</th>
<th>% Adults</th>
<th>TTL BEER</th>
<th>% Volume</th>
<th>Index</th>
<th>CRAFT</th>
<th>% Volume</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHITE</td>
<td>66.4%</td>
<td>61.6%</td>
<td>93</td>
<td></td>
<td>83.3%</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>AFR-AM</td>
<td>11.2%</td>
<td>12.5%</td>
<td>111</td>
<td></td>
<td>2.7%</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>HISPANIC</td>
<td>14.8%</td>
<td>16.6%</td>
<td>112</td>
<td></td>
<td>7.0%</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td>ASIAN</td>
<td>5.3%</td>
<td>6.8%</td>
<td>128</td>
<td></td>
<td>4.7%</td>
<td>87</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nielsen Spectra /Simmons (Data Version: Sept 2014); on plus off-premise
WHY IS THIS IMPORTANT? POPULATION GROWTH IS ALL MULTI-CULTURAL, LED BY HISPANICS

Distribution of the U.S. Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Hispanic</th>
<th>Black</th>
<th>Asian</th>
<th>White Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>4%</td>
<td>13%</td>
<td>19%</td>
<td>70%</td>
</tr>
<tr>
<td>2020</td>
<td>6%</td>
<td>14%</td>
<td>19%</td>
<td>60%</td>
</tr>
<tr>
<td>2040</td>
<td>8%</td>
<td>15%</td>
<td>27%</td>
<td>51%</td>
</tr>
<tr>
<td>2050</td>
<td>9%</td>
<td>15%</td>
<td>46%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: U.S. Census; *Buying Buyer = Selig Center of Economic Growth, 2012
HISPANIC CRAFT DEVELOPMENT DIFFERS DRAMATICALLY BY LEVEL OF ACCULTURATION

Craft (incl DM Specialty) Volume Index among Hispanics by Acculturation level - Indexed to % of Adults among General Pop’n

How to Read: Less acculturated Hispanics account for 76% less Craft volume than their overall share of 21+ population

Source: Nielsen Spectra Hispanic IQ; October 2014
HISPANICS REPRESENT A SIGNIFICANT GROWTH OPPORTUNITY FOR THE CRAFT BEER INDUSTRY

Is it that Hispanics have not embraced Crafts; or is it in part that Crafts have not embraced Hispanics? Or maybe a bit of both?

Hispanic sourced % of Dollars – Total U.S. Food Channel (based on statistical decomposition of scan sales)

- Total Beer: 15.1%
- Craft Beer (incl DM Specialty): 7.6%

Source: Nielsen Target Track; 52 weeks ending 11/1/2014
HISPANIC SOURCED CRAFT BEER GROWTH HAS CONSISTENTLY OUTPACED NON-HISPANIC GROWTH

Hispanic-sourced sales have contributed ~44% of Beer $ sales growth between 2010-13

Craft (BA + Dom Specialty) Dollar % Change – Total U.S.

- Craft Hispanic sourced case sales are growing double digits in 31 (of 45)
- Craft Hispanic sourced case sales > non-Hispanic sourced sales in 33 (of 45)

Source: Nielsen TargetTrack; Annual periods,
HISPANICS* EVEN MORE FAVORABLE IN REPORTING INCREASED CRAFT CONSUMPTION

How much more or less craft beer do you drink now compared to a couple years ago?

Percentages among those (21+) drinking Craft Beer

- **Total**
  - A lot/little more: 57%
  - About the same: 44%
  - A lot/little less: 14%

- **Hispanics**
  - A lot/little more: 42%
  - About the same: 32%
  - A lot/little less: 11%

Source: Nielsen Quick Query; Fielding Period: November 11—13, 2014
Respondent Base: 572 Craft Beer drinkers; Note that Hispanic responses are directional only given sample base
HISPANICS - A YOUTHFUL DEMOGRAPHIC

A sweet spot for Craft beers

Percentage of 21+ population

<table>
<thead>
<tr>
<th>Age Group</th>
<th>non-Hispanics</th>
<th>Hispanics</th>
</tr>
</thead>
<tbody>
<tr>
<td>A21-34</td>
<td>23%</td>
<td>35%</td>
</tr>
<tr>
<td>A35-44</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>A45-54</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>A55+</td>
<td>41%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: NPOWeR 2014 Hispanics, non Hispanics

Hispanic median age 28 vs 42 non-Hispanic
DIVERSE AND DIFFERENTIATING THEMSELVES

Source: Nielsen Npower 2014 Hispanics 21-34

Key facts about this consumer:
- 34% head their homes (43% married)
- 24% live with their parents
- 30% have at least some college
- 47% employed full time
- 36% white collar occupation
- 42% live in households with >$50K

U.S. born  55%
Foreign born  45%

Hispanics 21-34
EMERGENCE OF THE UPSCALE LATINO
A sweet spot for Craft beers

+31%
Latino households earning $75-99K grew 31% vs. 16% for Non-Latino

+71%
Latino households earning $100K+ grew 71% vs. 49% for Non-Latino

projected
$1.5 Trillion
in spending power
In 2015

Source: U.S. Census Bureau. HH income growth 2000-2011
### Top Hispanic Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Hispanic 21-34 % Contribution To 21-34 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>48%</td>
</tr>
<tr>
<td>New York</td>
<td>30%</td>
</tr>
<tr>
<td>Miami</td>
<td>51%</td>
</tr>
<tr>
<td>Houston</td>
<td>42%</td>
</tr>
<tr>
<td>Chicago</td>
<td>24%</td>
</tr>
<tr>
<td>Dallas</td>
<td>34%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>32%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>38%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>65%</td>
</tr>
</tbody>
</table>

Source: Pew Hispanic Center, Npower Nielsen Hispanics 21-34

GROWING IN A NEIGHBORHOOD NEAR YOU

Impacting local and regional distribution
HYPER MOBILE CONNECTED

% Penetration - Total Hispanic Homes

SMARTPHONE

90%

88% of non-Hispanics own a smartphone

TABLET

52%

55% of non-Hispanics

LAPTOP

34%

45% of non-Hispanics

## Social Media Gets Many Likes

**Time spent on mobile Apps (Hrs:Min)**

<table>
<thead>
<tr>
<th>APP</th>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>12:10</td>
<td>10:52</td>
</tr>
<tr>
<td>Pandora Radio</td>
<td>06:36</td>
<td>04:30</td>
</tr>
<tr>
<td>Instagram</td>
<td>05:02</td>
<td>04:46</td>
</tr>
<tr>
<td>Facebook Messenger</td>
<td>03:06</td>
<td>02:03</td>
</tr>
<tr>
<td>Twitter</td>
<td>02:49</td>
<td>02:11</td>
</tr>
<tr>
<td>YouTube</td>
<td>02:25</td>
<td>02:04</td>
</tr>
<tr>
<td>Google Search</td>
<td>01:20</td>
<td>01:39</td>
</tr>
<tr>
<td>Amazon Mobile</td>
<td>00:42</td>
<td>00:42</td>
</tr>
<tr>
<td>Chase Mobile</td>
<td>00:25</td>
<td>00:21</td>
</tr>
<tr>
<td>Bank of America</td>
<td>00:34</td>
<td>00:21</td>
</tr>
</tbody>
</table>

### App usage
- 63% Social media
- 76% GPS
- 58% Banking
- 48% Shopping

Source: Nielsen Mobile Netview: Hispanics 18+, non-Hispanics 18+ Top Apps by time spent, August 2014
YOUNG HISPANICS AS BICULTURAL AS OLDER LATINOS

72% live in households where both English and Spanish are spoken

<table>
<thead>
<tr>
<th>Statement</th>
<th>Hispanics 21-34</th>
<th>Hispanics 35+</th>
</tr>
</thead>
<tbody>
<tr>
<td>My culture/ethnic heritage is an important part of who I am</td>
<td>68%</td>
<td>72%</td>
</tr>
<tr>
<td>I am more connected to my ethnic heritage than my parents</td>
<td>37%</td>
<td>33%</td>
</tr>
<tr>
<td>I enjoy maintaining traditions</td>
<td>73%</td>
<td>76%</td>
</tr>
<tr>
<td>It is important to me that my children continue my family's...</td>
<td>76%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Source: Scarborough 2014 RR1 Hispanics 21-34, Hispanics 21-44
HEALTH, FRESH AND BUYING AMERICAN...

Important to young LDA Latinos who drink Craft beer

Amongst young (21-34) Hispanic consumers that drank craft beer (past 30 days)

<table>
<thead>
<tr>
<th>Attitudes</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>...prefer cooking fresh</td>
<td>88%</td>
</tr>
<tr>
<td>...always looking for new ways to live a healthier life</td>
<td>74%</td>
</tr>
<tr>
<td>...buy based on quality, not on price</td>
<td>64%</td>
</tr>
<tr>
<td>...buy brands that reflect my style</td>
<td>61%</td>
</tr>
<tr>
<td>...buying American is important to me</td>
<td>67%</td>
</tr>
</tbody>
</table>

Source: Scarborough 2014 RR1 Hispanics 21-34 who drank craft beer past 30 days
HISPANICS BUY CRAFT BEER IN MULTIPLE LOCATIONS – EVEN MORESO THAN NON-HISPANICS

Where do you buy Craft Beer? (select all)

% of Craft beer buyers that buy Craft beer by channel

- Grocery store
- Liquor store
- Restaurant
- Warehouse/Club store
- Bar
- Natural/specialty
- Convenience store
- Sporting/public event
- Direct from brewery
- Online

Channels where Hispanic 21-34 year old Craft buyers buy Beer (of all kinds) MUCH MORESO than non-Hispanics of a similar age range

Source: Nielsen Household Panel, Survey (March 2013); Total U.S.
HISPANIC RETAILERS IMPORTANT TO LATINOS

Do you shop at Hispanic stores? (percentages)

<table>
<thead>
<tr>
<th></th>
<th>Spanish Preferred</th>
<th>English Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hispanic HH's</td>
<td>38.7</td>
<td>61.3</td>
</tr>
<tr>
<td>Do you shop at Hispanic stores?</td>
<td>Yes 76.8</td>
<td>No 23.2</td>
</tr>
</tbody>
</table>

Source: Hispanic Grocery Survey; reported by Nielsen Homescan Consumer Panel; Q2 2014
IF YOU’RE SEEKING THE HISPANIC CONSUMER, ARE YOU/YOUR DISTRIBUTORS CONSIDERING THESE STORES?

- Artega’s Food Center - (10+ stores in Northern California)
- Bestway Supermarket (Maryland, Virginia)
- Baja Ranch Supermarket (formerly King Ranch Markets) - chain in southern California
- Big Saver Foods – (16 stores in Los Angeles area)
- Bravo – chain Central Florida
- Carnicerias Jimenez - 8 stores in Chicago area
- Carnival – Dallas area
- Cardenas Supermarkets – 5 California
- Compare Foods – 60+ stores in East/NE. (NY, CT, RI, MA, NC)
- El Super (Los Angeles, southern Nevada and Phoenix)
- El Rio Grande Latin Market - (Texas)
- Fiesta Mart – Mexican-American, primarily in Texas
- Freshco (Central Florida area)
- Food Bazaar Supermarkets (CT, NJ, NY)
- Food City (Arizona) – owned by Bashas
- Foodarama (Texas area)
- Fresh World International Supermarket (Northern Virginia)
- Ideal Market - New Orleans area (5 stores)
- Jalisco Supermarket - Louisiana (4 stores)
- K.V. Mart (Los Angeles area - Operates as Top Valu and Buy Low Markets
- La Placita - New Orleans area (4 stores)

- Latino Express Grocery - New Orleans area (3 stores)
- Megamart (DC area)
- La Michoacana Meat Market - >130 stores; TX area
- Mi Pueblo Food Center - Northern California -21 Stores
- Gonzalez Northgate - California
- Numero Uno Market - 10 stores in Los Angeles area
- Presidente - South Florida
- Pro’s Ranch Market /Los Altos Ranch Market – AZ, CA, NM, TX
- Publix Sabor – operated by Publix
- R Ranch Markets - Southern California
- Rancho Liborio – 11 stores (California, Nevada, Colorado)
- Saver's Cost Plus - Texas
- Sedano’s – Southern Florida
- Seller’s Bros. - Houston, Texas
- Superior Super Warehouse – 28 stores; Southern California
- Supermercado El Rancho – Texas area; 15 stores
- Supermercado Nuestra Familia – Nebraska; 3 stores
- Mi Tienda - Division of HEB Stores; Texas
- El Rancho – Dallas/Fort Worth, Texas area
- Terry's/El Mariachi Supermarkets – Texas; Oklahoma City
- Rio Ranch Markets – 8 stores; Southern California
- Rancho Markets – Utah
- Vallarta Supermarkets - California

http://en.wikipedia.org/wiki/List_of_supermarket_chains_in_the_United_States#Hispanic.2FLatino
SEASONAL OFFERINGS, FOOD PAIRINGS AND CRAFT AS A “TREAT” RESONATE EVEN MORE WITH HISPANICS

What are the primary reasons you or others in your HH buy Craft beer? (select all)

- Usually buy other beer, but prefer Craft to impress...
- It's a treat for special occasions when out (rest, bar, etc)
- Made with higher quality ingredients
- Like something local
- A treat for special occasions to bring to others' homes
- It's nice to have at home when relaxing without...
- Like the seasonal offerings
- Tastes better
- Like to experiment with different styles, flavors,...

Source: Nielsen Household Panel, Survey (March 2013); Total U.S.
THINK HISPANIC, OPPORTUNITY TO INNOVATE

Latinoization of America across mainstream products

Source: Nielsen Bev Al Category Advisor

Top flavors amongst Hispanics

Fruit: cherry, pear, melon, black currant
Sour: lemon, lime, citrus
Earthy: oak, pine, hickory
Spices: *canela*, coriander, clove, anis, cumin
MUST KNOW ABOUT HISPANICS

1. Hispanics are communal – family is paramount

2. Food & drinks for bonding, but also to strengthen identity

3. Latino culture very present in younger generation

4. Technology – present in the every day of Latinos
STYLE PREFERENCES DIFFER BY THE “WHO”

Which 3 of the following styles of craft beer are your favorites to drink (select top 3) - 34 styles choices provided

Top Style Preferences among Beer drinkers

<table>
<thead>
<tr>
<th>Style</th>
<th>Total U.S. 21+</th>
<th>M 21-34</th>
<th>M 35-44</th>
<th>F 21-34</th>
<th>Hispanic</th>
<th>M 55-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>No particular preference</td>
<td>24%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Lager</td>
<td>19%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Pale Ale</td>
<td>19%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Amber</td>
<td>17%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Light</td>
<td>16%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Stout</td>
<td>12%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Belgian Ale</td>
<td>12%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Pilsner</td>
<td>11%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Fruit Flav</td>
<td>9%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Oktoberfest</td>
<td>9%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>IPA</td>
<td>8%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Blonde</td>
<td>8%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Golden Ale</td>
<td>7%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Classic Dark</td>
<td>7%</td>
<td>10</td>
<td>8</td>
<td>27</td>
<td>18</td>
<td>32</td>
</tr>
</tbody>
</table>

Shaded area percentages at least 4 points higher than Total

Source: Nielsen Quick Query; Fielding Period: November 11—13, 2014; Respondent Base: 830 Beer drinkers
WHERE TO FIND THE “WHO”
HERE’S WHERE CRAFT IS BEST DEVELOPED (GROCERY)

<table>
<thead>
<tr>
<th>Rank</th>
<th>City 1</th>
<th>City 2</th>
<th>Craft $ Share</th>
<th>Craft % Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LOS ANGELES</td>
<td>PORTLAND</td>
<td>PORTLAND 32%</td>
<td>MEMPHIS +45%</td>
</tr>
<tr>
<td>2</td>
<td>PHOENIX</td>
<td>SAN FRANCISCO</td>
<td>SAN FRANCISCO</td>
<td>SAN DIEGO</td>
</tr>
<tr>
<td>3</td>
<td>TAMPA</td>
<td>SEATTLE</td>
<td>CLEVELAND</td>
<td>BIRMINGHAM</td>
</tr>
<tr>
<td>4</td>
<td>SAN FRANCISCO</td>
<td>LOS ANGELES</td>
<td>WASH D.C.</td>
<td>MIAMI</td>
</tr>
<tr>
<td>5</td>
<td>HOUSTON</td>
<td>NEW YORK</td>
<td>SAN DIEGO</td>
<td>SACRAMENTO</td>
</tr>
<tr>
<td>6</td>
<td>CHICAGO</td>
<td>WASH D.C.</td>
<td>SEATTLE</td>
<td>LAS VEGAS</td>
</tr>
<tr>
<td>7</td>
<td>MIAMI</td>
<td>DETROIT</td>
<td>COLUMBUS</td>
<td>CHICAGO</td>
</tr>
<tr>
<td>8</td>
<td>NEW YORK</td>
<td>SAN DIEGO</td>
<td>SACRAMENTO</td>
<td>MILWAUKEE</td>
</tr>
<tr>
<td>9</td>
<td>SEATTLE</td>
<td>CLEVELAND</td>
<td>ALBANY</td>
<td>LOS ANGELES</td>
</tr>
<tr>
<td>10</td>
<td>PORTLAND</td>
<td>TAMPA</td>
<td>BUFF/ROCH 19%</td>
<td>TAMPA +21%</td>
</tr>
</tbody>
</table>

Nielsen collects POS data from Grocery; Drug; Convenience; Liquor at local market level

Source: Nielsen Grocery; 52 weeks ending 10-11-2014; Beer includes FMB’s and Ciders
WE CAN IDENTIFY THE MOST LIKELY “WHO”, AND FIND THEM GEOGRAPHICALLY

**Thumbprint #1**

**Thumbprint #2**

**WHO ARE THEY?**

1. You can tell us your “target” OR...
2. We can identify your “consumer”
   - via consumer panel data
   - via your depletions

**WHERE ARE THEY?**

1. 150+
2. 120-150
3. <120
WHO THEY ARE – ON THE NIELSEN SPECTRA GRID

**Neighborhood Type**

<table>
<thead>
<tr>
<th>Significant Life Events</th>
<th>More Affluent</th>
<th>Less Affluent</th>
</tr>
</thead>
</table>
| Young Transitionals     | 190% more likely to purchase Craft Beer than the average U.S. HH | }
FIND SIMILAR, HIGH POTENTIAL HOUSEHOLDS

They consume well above average amounts of Craft Beer – where are they? What else do they buy? What are their lifestyles? Media preferences?

<table>
<thead>
<tr>
<th>BehaviorStage</th>
<th>Cosmopolitan Centers</th>
<th>Affluent Suburban Spreads</th>
<th>Comfortable Country</th>
<th>Struggling Urban Cores</th>
<th>Modest Working Towns</th>
<th>Plain Rural Living</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-Up Families</td>
<td>127</td>
<td>151</td>
<td>137</td>
<td>101</td>
<td>95</td>
<td>51</td>
<td>110</td>
</tr>
<tr>
<td>HHs with Young Children Only &lt; 6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Scale Families</td>
<td>126</td>
<td>167</td>
<td>122</td>
<td>52</td>
<td>64</td>
<td>55</td>
<td>100</td>
</tr>
<tr>
<td>Small HHs with Older Children 6+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Younger Bustling Families</td>
<td>72</td>
<td>148</td>
<td>134</td>
<td>29</td>
<td>69</td>
<td>42</td>
<td>80</td>
</tr>
<tr>
<td>Large HHs with Children (6+), HOH &lt;40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Older Bustling Families</td>
<td>94</td>
<td>138</td>
<td>116</td>
<td>50</td>
<td>56</td>
<td>48</td>
<td>89</td>
</tr>
<tr>
<td>Large HHs with Children (6+), HOH 40+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young Transitionals</td>
<td>359</td>
<td>290</td>
<td>170</td>
<td>234</td>
<td>172</td>
<td>126</td>
<td>233</td>
</tr>
<tr>
<td>Any size HHs, No Children, &lt; 35</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Singles</td>
<td>168</td>
<td>124</td>
<td>114</td>
<td>81</td>
<td>90</td>
<td>52</td>
<td>103</td>
</tr>
<tr>
<td>1 person HHs, No Children, 35-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Singles</td>
<td>34</td>
<td>33</td>
<td>11</td>
<td>8</td>
<td>24</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>1 person HHs, No Children, 65+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Established Couples</td>
<td>143</td>
<td>149</td>
<td>134</td>
<td>66</td>
<td>99</td>
<td>51</td>
<td>108</td>
</tr>
<tr>
<td>2+ person HHs, No Children, 35-54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empty Nest Couples</td>
<td>115</td>
<td>159</td>
<td>144</td>
<td>34</td>
<td>66</td>
<td>42</td>
<td>100</td>
</tr>
<tr>
<td>2+ person HHs, No Children, 55-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Couples</td>
<td>61</td>
<td>71</td>
<td>84</td>
<td>40</td>
<td>58</td>
<td>37</td>
<td>60</td>
</tr>
<tr>
<td>2+ person HHs, No Children, 65+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>143</td>
<td>140</td>
<td>119</td>
<td>78</td>
<td>81</td>
<td>48</td>
<td>100</td>
</tr>
</tbody>
</table>

IDENTIFY HIGHEST POTENTIAL GEOGRAPHIES

Cook County is the most densely populated county in Illinois; DuPage represents highest development index opportunity for Craft Beer

State/City Level

Source: Nielsen Spectra
AND IDENTIFY HIGHEST POTENTIAL CRAFT BEER STORES

Store Ranking of 173 Jewel Osco Stores in the State of Illinois

Source: Nielsen Spectra
AND THOSE MUCH LESS LIKELY TO SELL CRAFT BEER

Store Ranking of 173 Jewel Osco Stores in the State of Illinois

Source: Nielsen Spectra
THESE CONSUMERS CAN ALSO BE TIED TO THEIR MEDIA PREFERENCES, ATTITUDES, LEISURE ACTIVITIES - AT A NATIONAL OR LOCAL LEVEL

Source: Nielsen Spectra
WHO IS THE CRAFT BEER CONSUMER

1. Craft Beer continues to be a “coveted” category at Retail, with a positive long term outlook given success with Millennials/Gen X’ers, and traits of Gen Z’ers to come

2. Expanding the Craft Beer profile will be critical to future long-term growth
   • Hispanics one of those BIG opportunities – we’re on the right path, but still a lot of work left to do

3. Pinpointing opportunities will be critical – the right products in the right outlets!
CRAFT BREWERS - HELP US HAVE YOUR PRODUCTS CODED IN THE NIELSEN DATABASE

• Nielsen information is used and referenced widely
  • Retailers, trade and consumer media, suppliers, distributors, investment firms, industry associations

• Please send us your current UPC lists and new package images (front and back labels, or artwork) to ensure your products are accounted for in our sales data accurately and in a timely fashion – we’ll do the rest!

• Contact Nielsen @ npcimages@nielsen.com or nate.heins@nielsen.com
Thank You! Cheers

danny.brager@nielsen.com
949-716-0224