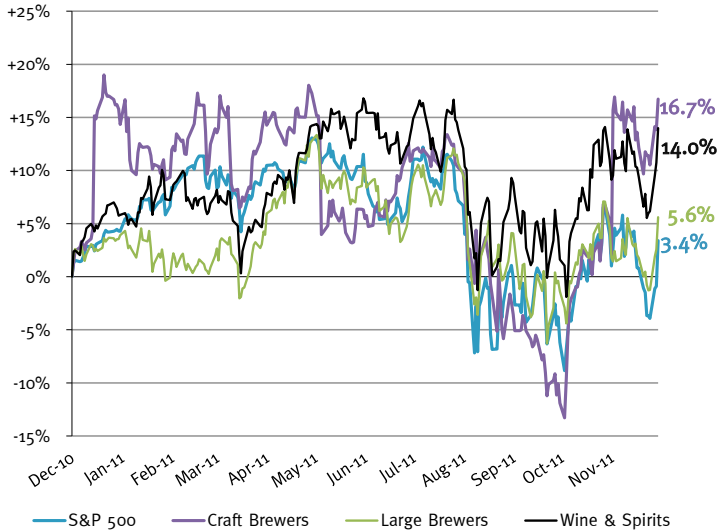


#### Craft Brewers, Major Brewers and Wine & Spirits vs. S&P 500 Index



Source: Capital IQ, Index prepared on market cap weighted basis

#### Market Commentary/Trends Narrative

The market for alcoholic beverages has generally followed broader market trends. Despite the price volatility over the previous quarter, for the trailing twelve month period ending November 30, 2011, valuations of craft brewers and wine & spirits producers continued to outperform the overall market. Conversely, the major brewers index has underperformed the other sectors growing by 5.6% over the same period. Performance of major brewers has continued to deteriorate as organic sales growth has weakened in developed markets. Although emerging markets are still a bright spot, mega brewers still view mature economies as a challenging environment as high unemployment, tighter consumer spending and more competitive markets persist.

The index of craft brewers, grew 16.7% over the prior year while the index of wine & spirits outperformed the general market, growing 14.0% over the prior year. Compared to the same period 2010, craft brewers and wine & spirits subsectors outperformed the market growing 82.7% and 7.7%, respectively, while major brewers grew by only 4.7%.

### EXCHANGE LISTED COMMODITY TRENDS

	11/30/2011	52-week			11/30/2011 'Close Price % Δ from:		
	Close Price	High	Low	Median	High	Low	Median
Aluminum - Cash, LME, 25 MT	\$3.66	\$4.23	\$1.91	\$3.44	-13.4%	91.7%	6.4%
Barley - Top Quality, USDA, 1 bu.	7.35	7.95	3.00	4.80	-7.5%	145.0%	53.1%
Corn, #2 Yellow, USDA 1 bu.	5.96	7.81	3.18	5.55	-23.7%	87.4%	7.5%
Rice - Rought #2, CBOT, 2,000 cwt.	13.75	14.82	9.26	12.20	-7.2%	48.5%	12.7%
Sugar - Raw Cane, USDA, lb.	0.37	0.42	0.29	0.38	-11.5%	29.3%	-1.4%
Wheat - Hard Red Winter, MGE, 5,000 bu.	6.18	8.61	3.48	6.34	-28.2%	77.9%	-2.5%

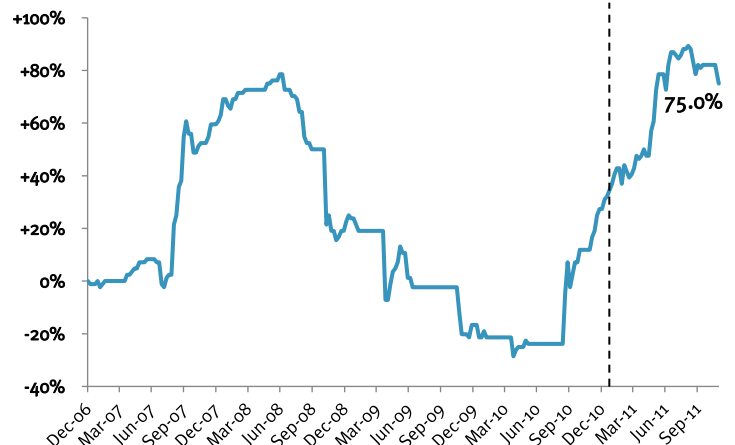
Source: Commodity Research Bureau

#### Historical Chart for Aluminum



Source: Commodity Research Bureau

#### Historical Chart for Barley



Source: Commodity Research Bureau

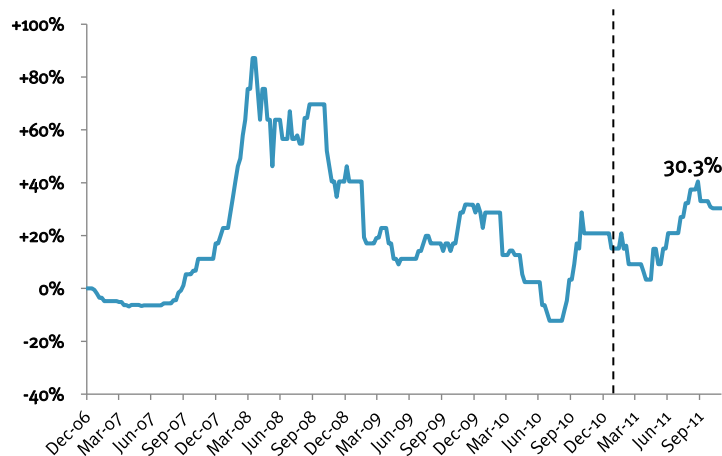
## EXCHANGE LISTED COMMODITY TRENDS (CONTINUED)

### Historical Chart for Corn



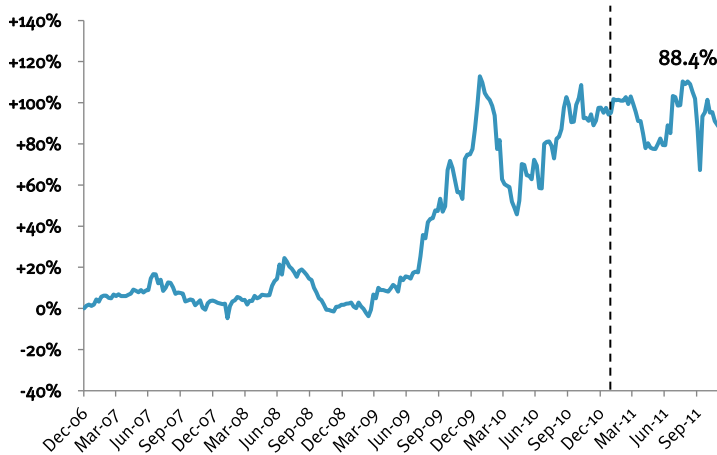
Source: Commodity Research Bureau

### Historical Chart for Rice



Source: Commodity Research Bureau

### Historical Chart for Sugar



Source: Commodity Research Bureau

### Historical Chart for Wheat



Source: Commodity Research Bureau

## TRAILING TWELVE MONTH VALUATION MULTIPLES FOR PUBLIC COMPANIES

Market Data (Given in \$Millions)

Company (\$ mm)	Ticker	Price 11/30/11	Price Performance LTM	Equity Value	Firm Value	1 Yr Est. Growth Rate	EV / LTM		EBITDA Margin
							Sales	EBITDA	
<b>Craft Brewers</b>									
Big Rock Brewery Inc.	TSX:BR	\$12.34	-17.8%	\$75	\$75	NMF	1.7x	13.3x	13.1%
Boston Beer Co. Inc.	NYSE:SAM	99.91	22.3%	1,273	1,224	7.8%	2.5x	13.0x	19.4%
Brick Brewing Co. Ltd.	TSX:BRB	1.07	20.8%	30	41	17.6%	1.2x	11.9x	9.9%
Craft Brewers Alliance, Inc.	NasdaqGM:HOOK	6.45	-2.6%	122	136	NMF	0.9x	11.6x	8.1%
Average			5.7%			12.7%	1.6x	12.4x	12.6%
Median			9.1%			12.7%	1.5x	12.4x	11.5%

Source: Capital IQ and Company Documents  
 Except per share data, presented in \$ millions  
 EBITDA = Earnings before interest, taxes  
 depreciation and amortization

Enterprise Value (EV) = Market value of  
 equity + Interest-bearing debt - cash  
 NA = Not Available  
 NMF - Not Meaningful

## TRAILING TWELVE MONTH VALUATION MULTIPLES FOR PUBLIC COMPANIES (CONTINUED)

Market Data (Given in \$Millions)

Company (\$ mm)	Ticker	Price 11/30/11	Price Performance LTM	Equity Value	Firm Value	1 Yr Est. Growth Rate	EV / LTM		EBITDA Margin
							Sales	EBITDA	
<b>Large Brewers</b>									
Anheuser-Busch InBev	ENXTBR:ABI	\$59.61	9.1%	\$95,114	\$139,681	7.5%	3.7x	9.8x	37.6%
Asahi Group Holdings, Ltd.	TSE:2502	21.86	12.0%	10,174	14,752	NMF	0.9x	6.8x	13.8%
Foster's Group Ltd.	ASX:FGL	5.53	1.8%	10,727	12,401	NMF	4.8x	13.6x	35.2%
Grupo Modelo, S.A.B. de C.V.	BMV:GMODELO C	6.37	8.1%	20,607	20,188	-2.7%	3.1x	10.5x	29.9%
Heineken NV	ENXTAM:HEIA	46.90	0.8%	26,906	38,438	NMF	1.6x	7.9x	19.7%
Kirin Holdings Company, Limited	TSE:2503	12.02	-13.9%	11,558	25,283	NMF	0.9x	6.5x	14.1%
Molson Coors Brewing Company	NYSE:TAP	40.59	-14.8%	7,352	8,354	7.3%	2.4x	13.6x	18.0%
SABMiller plc	LSE:SAB	35.23	11.2%	56,016	63,892	NMF	4.0x	13.2x	30.4%
Sapporo Holdings Ltd.	TSE:2501	3.73	-8.0%	1,463	3,984	NMF	0.7x	7.0x	10.2%
Average			0.7%			4.1%	2.5x	9.9x	23.2%
Median			1.8%			7.3%	2.4x	9.8x	19.7%
<b>Wineries &amp; Distillers</b>									
Beam, Inc.	NYSE:BEAM	\$52.52	-11.1%	\$8,165	\$10,437	-61.5%	1.5x	10.3x	14.9%
Brown-Forman Corporation	NYSE:BF.B	79.81	22.0%	11,358	11,564	27.1%	4.4x	13.4x	32.6%
Constellation Brands Inc.	NYSE:STZ	19.47	-5.5%	3,940	6,918	-17.3%	2.3x	10.6x	21.8%
Diageo plc	LSE:DGE	21.42	20.2%	53,259	64,946	5.1%	4.1x	NM	29.1%
Pernod-Ricard SA	ENXTPA:RI	94.25	15.1%	24,753	37,142	NMF	3.3x	12.4x	27.1%
Remy Cointreau	ENXTPA:RCO	83.46	26.8%	4,125	4,297	NMF	3.3x	15.8x	21.2%
Average			11.3%			-11.6%	3.2x	12.5x	24.4%
Median			17.7%			-6.1%	3.3x	12.4x	24.4%

Source: Capital IQ and Company Documents

Except per share data, presented in \$ millions

EBITDA = Earnings before interest, taxes depreciation and amortization

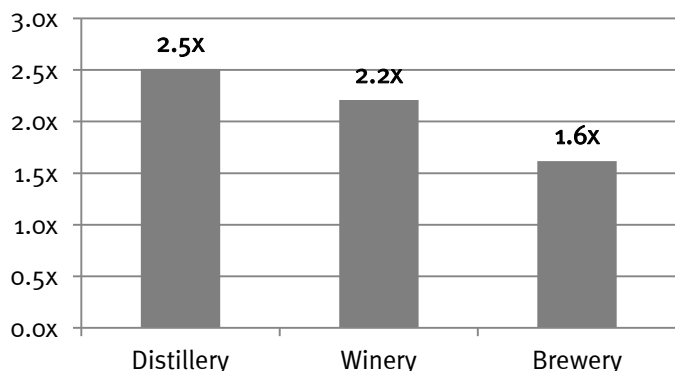
Enterprise Value (EV) = Market value of equity + Interest-bearing debt - cash

NA = Not Available

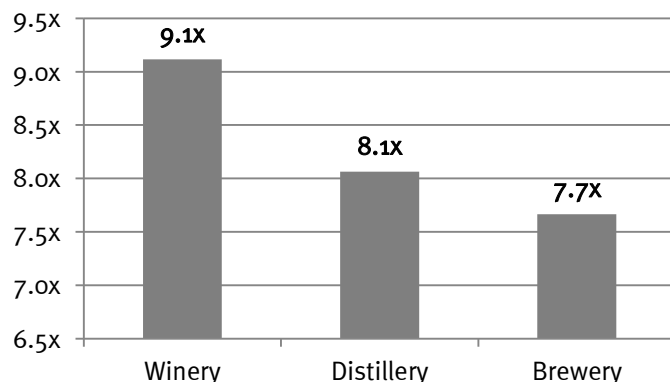
NMF - Not Meaningful

## M&A ALCOHOLIC BEVERAGE VALUATION MULTIPLES (2005 - YTD 2011)

**Historical M&A**  
EV / Revenue Multiples by Subsector Within Alc. Bev.

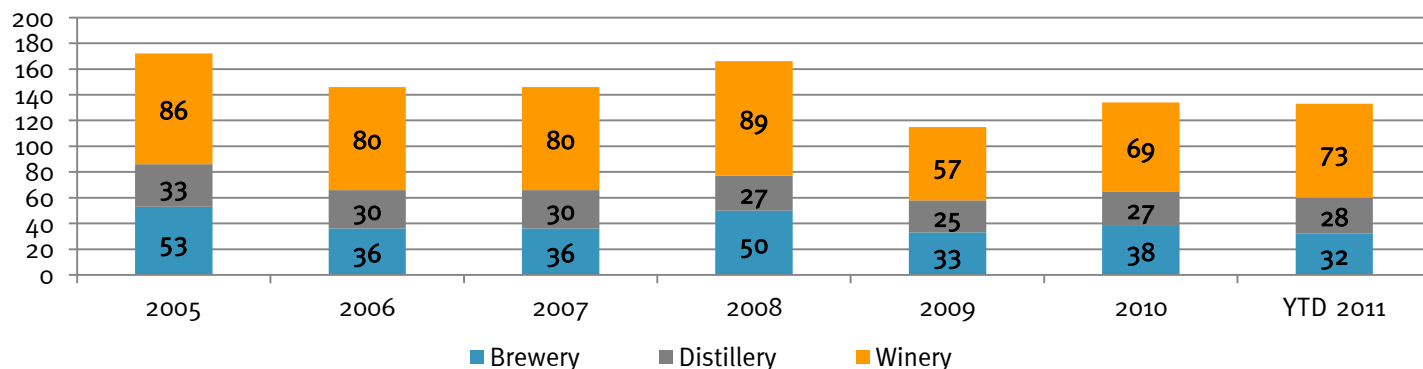


**Historical M&A**  
EV / EBITDA Multiples by Subsector Within Alc. Bev.



## ALCOHOLIC BEVERAGE M&A HISTORICAL DATA

**Historical Transaction Volume by Subsector**



\*Source: Capital IQ and Proprietary Database (2005 to 2011)

## RECENT MERGERS AND ACQUISITIONS

### Breweries

Date Closed	Target	Transaction Value (\$ in MM)	Business Description	Target Nation	Acquirer Name	Acquisition Type	Acquirer Nation
Nov-21-11	Holy Brew Brewing Company	-	Holy Brew Brewing Company is an East Coast based microbrewer.	United States	Lost Rhino Brewing Company	Strategic	United States
Nov-08-11	Hornsby's Pubdrafts Ltd.	27.5	Hornsby's Pubdrafts Ltd. produces pub draft hard apple cider.	United States	C&C Group plc (ISE:GCC)	Strategic	Ireland

### Distilleries

Date Closed	Target	Transaction Value (\$ in MM)	Business Description	Target Nation	Acquirer Name	Acquisition Type	Acquirer Nation
Nov-11-11	Tullibardine Distillery Company Limited	-	Tullibardine Distillery Company Limited distills and produces single malt whiskies in Scotland.	United Kingdom	Picard Vins & Spiritueux	Strategic	France
Nov-10-11	Blagoveshchensk Distillery	-	Blagoveshchensk Distillery owns and operates a distillery.	Russia	000 PSZH-2	Strategic	Russia
Nov-01-11	Corby Distilleries Ltd, 17 brands and Manufacturing and Bottling Facility in Montréal	32.27	Corby Distilleries Ltd, 17 brands and Manufacturing and Bottling Facility in Montréal comprises manufacturing and bottling facility for manufacturing of spirits, coolers, and imported wines.	Canada	Sazerac Company, Inc.	Strategic	United States

### Wineries

Date Closed	Target	Transaction Value (\$ in MM)	Business Description	Target Nation	Acquirer Name	Acquisition Type	Acquirer Nation
Nov-23-11	Les Vins Skalli Sas, Winery in Languedoc and Rhône Valley	-	Winery in Languedoc and Rhône Valley are winery brands and assets located in France.	France	Boisset S.A.	Strategic	France
Nov-17-11	LLC Kvareli Wine Cellar	0.181	LLC Kvareli Wine Cellar engages in grape processing and making wine.	Georgia	LLC Iberia Distiller	Strategic	Georgia
Nov-09-11	Michel-Schlumberger Partners, LP	-	Michel-Schlumberger Partners, L.P. operates a winery estate. The company produces and markets red and white wines.	United States	KSSM, LLC	Strategic	United States
Nov-07-11	Domaine du Moulinas and Domaine de Martinolles	-	Domaine du Moulinas and Domaine de Martinolles comprise two wine producing facilities located in Limoux, France.	France	Sarl Les Domaines Paul-Mas	Strategic	France
Nov-07-11	Les terrasses de Saint-Pierre	-	Les terrasses de Saint-Pierre is a wine field spread over 30 hectares. It also includes truffle, and lavender fields.	France	Raphael Michel SA (ENXTPA:MLRAM)	Strategic	France
Nov-03-11	EARL Clos Dady	2.06	EARL Clos Dady owns and operates a Vineyard in the commune of Preignac.	France	-	Strategic	-

Source: Capital IQ and Proprietary Database (2005 to 2011)

M&A markets reported eleven transactions completed in the alcoholic beverage industry in the month of November, an increase from the six transactions completed in October. There were two brewery transactions, three distillery transactions and six winery transactions completed in November 2011. The average brewery transaction size was \$27.5 million (one company reporting). The average distillery transaction size was \$32.3 million (one company reporting). The average winery transaction size was \$1.1 million (two companies reporting). The number of brewery transactions completed decreased, while the number of distillery and winery transactions increased over the prior month. The majority of transactions were international, with only three U.S. based companies acquired by strategic companies in the month of November.

In the craft brewing segment, Holy Brew Brewing Company, founded in 2008 entered a merger transaction with Lost Rhino Brewing Company both of which have a significant presence in the Mid-Atlantic region. With its purchase of Hornsby Pubdrafts Ltd., C&C Group, a brewer based in Ireland, has gained additional traction in the U.S. hard cider market. The market for hard cider has been a relatively small but fast growing alcoholic beverage segment.

Eureka anticipates additional transaction volume for the year end as several U.S. based winery transactions are slated to close in December of 2011.

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