

BEVERAGE MANAGER

THE INTERNATIONAL BUSINESS & TECHNOLOGY NEWSPAPER FOR THE BEVERAGE INDUSTRY



SUPPLIER – USA

Sattelite Logistics:
Texan beer logistics provider looking to grow
“Time is money in this industry. Stock must be turned over as fast as possible.” CEO and President Kevin Brady. **28**



MARKETS – JAPAN

Asahi identifies potential acquisition targets
The head of Japan’s Asahi Breweries said he expects to have \$9.2 billion on tap for acquisitions over the next five years as it looks for new growth drivers outside the shrinking domestic beer market. **18**



MARKETS – CHINA

Increasing demands of consumers inspire investments in the brewing industry
Chinese engineering passed through the world economic crisis without sustaining any damage and appears very dynamic in the middle of 2010. **10**

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EURO 2,80 / US \$ 3,60

INDUSTRY

INVESTMENTS



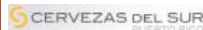
\$ 17 MILLION



\$ 34 MILLION



\$ 380 MILLION



\$ 20 MILLION

THE PLAYER

TetraPak’s major rival

As it is commonly acknowledged, product packaging is not an exciting occupation. The New Zealander, Mr Graeme Hart, however, saw the prospects for profit in the area very well and decided to look closely at this subject. So it is, that in a few years he erected a whole empire based on packing companies and is now considered the wealthiest man in the region of Australia – Asia.

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▶ SUCCESS – BOSTON BEER COMPANY

“Who would have thought that?”

By Renzo Ruf, BMG

In 1984, Jim Koch started brewing beer in his kitchen. And Samuel Adams Boston Lager was born. A quarter-century later, his company is the largest independent brewery in the U.S. This spring, the Boston Beer Company pushed a new, unusual selling point through its TV commercials: It accentuated its own insignificance. The spots showed actual customers who had to guess the market share of Boston Beer’s flagship brand, Samuel Adams Boston Lager. Twenty-five percent, said one. Another person guessed “huge.” Not true. The brand’s actual market share in the U.S. is just 0.9%, as the company reminded the viewers at the end of the commercial.

On the other hand, the commercials shouldn’t come as surprise to those who have followed the career of Charles James “Jim” Koch, the founder of the Boston Beer Company. Although his family has deep roots in the brewing industry, he was always a contrarian. His great-great-grandfather emigrated from Germany in the mid-nineteenth century and settled near St. Louis, where his great-great-grandfather founded the Louis Koch Brewery. **▶16**

“Craft beers, including us, really are Davids competing with big global Goliaths” Jim Koch, Boston Beer Company



▶ ASIA

Synergy expands into Middle East and Asia

Synergy, one of the leading distilled spirits producers in Russia, announced that it has signed distribution agreements for exports of its Beluga brand to Iraq, Vietnam and India, the growing vodka markets in Middle East and Asia. Currently the company already distributes Beluga vodka to Lebanon, Jordan and Israel. In the first six months of 2010 20% of Beluga sales are attributed to exports, comparing to a 17% Beluga exports share in 2009, according to a statement. As part of European export operations, Synergy enhanced its presence in the duty free stores by signing a distribution agreement with one of the world’s leading duty free operators. **● (bmg)**

▶ M&A

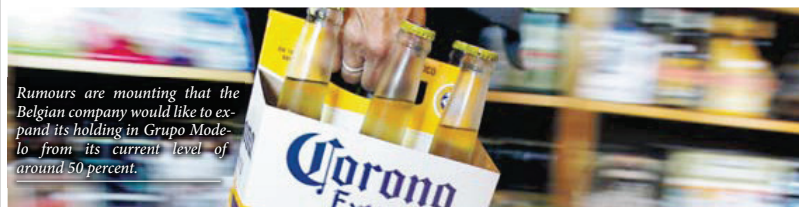
Complete takeover of Grupo Modelo imminent

By Tim Schäfer, BMG

On Wall Street, the beer giant from Leuven, Belgium, represents a safe harbour in turbulent times. The reason: The leading brewery, with a global market share of 25 percent, has a stable business even in periods of crisis.

Shares in the company are highly regarded by investors. Its brands are so established that it is almost impossible for competitors to challenge them. The complete takeover of one subsidiary, Modelo, is clearly imminent.

For that reason, in recent months investors have been flocking to shares in the company in droves. Beer is now seen as liquid gold. Especially in summer, its popularity has been on the increase. **▶12**



Rumours are mounting that the Belgian company would like to expand its holding in Grupo Modelo from its current level of around 50 percent.

▶ SUDAN

SABMiller to expand Southern Sudan operations

SABMiller plc subsidiary company Southern Sudan Beverages Ltd (SSBL) has announced in a news release that it is doubling the size of its existing brewery operations in Juba and has introduced a soft drinks range and bottled water product into the country. By the end of 2010, brewery operations will have increased to 350,000 hectoliters (hl) from its initial 180,000 hl capacity at opening in May 2009. The original US\$ 37 m investment created employment for hundreds of Sudanese and created a pioneering land lease agreement between SABMiller plc and the local Juba community that ensured they receive royalties from the development. Ian Alsworth-Elvey, managing director of SSBL, said, “Many people questioned our logic in building not only the first brewery that Southern Sudan had been seen for 50 years but also the first manufacturing facility in Juba. However, the business has had a very warm welcome to the country and our beer, soft drinks and water brands have found real traction with consumers.” The decision by SABMiller suggests confidence in the stability of the south, which is likely to vote for independence in a January referendum. **● (bmg)**

▶ INDIA

Tata Global Beverages plans restructuring

India’s Tata Global Beverages, formerly Tata Tea Ltd, is considering restructuring the company’s operations and aiming to launch a new nutrition-based beverage, the news agency Reuters reports. “We are looking at merging like businesses. Whenever we believe there is scale and size that warrant a merger, we would indeed take it forward,” Ratan N Tata, who is also the chairman of Tata Group, said on the sidelines of the company’s annual shareholders’ meeting. The company is looking to develop a new beverage based on nutrition and wellness, he said, but did not elaborate. Earlier in his address to shareholders, Tata said that the company is aiming for revenues of \$5 billion in the next 5 years, from the present \$1.5 billion. **● (bmg)**

SUPPLEMENT

News paper



Paper versus Plastics

Comparing the environmental impact of paper and plastic packaging.