

Beer

COMPANIES: ABI BB, BUD, CARLB DC, HEIA NA, HEIO NA, SAB LN, SBMRY, TAP

TAP,
SAB LN

ABI BB

MillerCoors Improves in the U.S.

Molson Coors benefited during 3Q09 from an improvement in its MillerCoors JV sales as both Molson Coors and SABMiller STRs improved, but Molson Coors' Canadian volumes fell into negative territory.

- OTR Global's read on TAP is mixed, a deterioration from the July report; SAB LN improved to mixed from negative; ABI BB remains negative
- MillerCoors' U.S. STRs up 1%-4% yy aided by Coors Light and MGD 64, compared with flat-down 3% in 2Q09; TAP down yy in Canada on weak promos, Bud Light Lime competition; TAP remains down yy in the U.K. because of high prices
- ABI BB U.S. STR trends flat-down 3% yy, slightly below the July and September findings with difficult comps; ABI BB slows but outperforms category in Brazil with more promos, new products; Canadian volumes lag category, but share gains increase on promos; losing share for one-half of European sources, as in July
- ABI BB, MillerCoors implementing U.S. price hikes on subpremiums during September/October to narrow gap with premiums, stem tide to trade down; prices also up in some parts of Canada
- Areas to Watch: At its annual U.S. distributors' conference Oct. 5-8, ABI BB announced plans to ramp up its marketing spend in 4Q09

EXECUTIVE SUMMARY

The weak economy cut into beer volume trends in almost all countries, while trading down continued at a stable rate in most regions except Brazil, where it slowed. Weather hurt trends in some areas of North America, as did comps to bigger buy-ins in 3Q08 in the United States. Nonetheless, **Molson Coors Brewing Co.'s** and **SABMiller PLC's** yy trends improved compared with 2Q09 in the United States, though Molson Coors dipped into negative trends in Canada as promos fell. **Anheuser-Busch InBev's** yy trends slowed in North America and Brazil, although AmBev continued to gain share in Brazil and Canada, because of stepped-up promotions and new items. European trends continued to be negative, with ABI slightly lagging category trends in all countries, but ABI gained from Molson Coors in the United Kingdom — especially in the off-trade channel — because of high prices.

KEY DATA

3Q09 MillerCoors Volume STRs Move Positive (number of sources)

	MILLERCOORS	COORS	MILLER
Up 15%–25%	-	2	-
Up 11%–15%	1	1	-
Up 6%–10%	2	4	-
Up 3%–5%	1	-	-
Up 1%–2%	2	1	1
Up less than 1%	-	-	1
Flat	-	1	3
Down 1%–2%	5	1	1
Down 3%–5%	-	3	3
Down 6%–10%	-	-	3
Down 11%–15%	-	-	-
Weighted average	Up 1%–4%	Up 7%–10%	Down 1%–4%
2Q09 average	Flat-down 3%	Up 5%–8%	Down 5%–8%

SOURCES & BACKGROUND

83 beer buyers, distributors and managers in North America, Europe and Brazil, including 3 Field Force visits

UNITED STATES 32 sources, comprising 31 U.S. beer distributors representing 96,482 accounts (16 ABI, 14 MillerCoors, 1 Molson Coors) and 1 industry expert (not included in the tally); **CANADA** 13 sources representing 488 stores and restaurants plus 3 Field Force store checks (not included in the tally); **EUROPE** 23 beer buyers (8 in the United Kingdom, 8 in Russia and 7 in Germany) representing more than €2 billion in annual beer revenue; **BRAZIL** 12 sources comprising 11 beer buyers representing 28,597 stores and 1 industry expert

REPEAT SOURCES 55 sources comprising 52 (21 U.S. distributors, 8 in Canada, 15 in Europe and 8 in Brazil) from OTR Global's July report, and 3 U.S. distributors from the September report

TOP-25 SOURCES 9 U.S., 7 Canadian, 16 European and 1 Brazilian source

INTERVIEWS Late September through early October

AVERAGES U.S., Canadian and Brazilian averages weighted according to number of accounts each source represents; Western European averages weighted according to each source's annual beer revenue; Russian averages straight

"We've grown our business, and we've grown it the right way – by not just giving it away, a positive move led by Coors."

MillerCoors distributor

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Beer

NORTH AMERICA

MillerCoors volumes take off

MillerCoors volumes averaged up 1%–4% during 3Q09 yy, a marked improvement from OTR Global's 2Q09 findings of flat–down 3%, and in line to ahead of expectations for 11 of 14 sources. Coors' volumes averaged up 7%–10% yy, compared with 2Q09 findings of up 5%–8%, and Miller's volumes were down 1%–4% yy, compared with 2Q09 findings of down 5%–8%. One-half of repeat sources said yy trends improved. "We've grown our business, and we've grown it the right way — by not just giving it away, a positive move led by Coors," one said.

Miller's softness continued to be a concern, and was blamed on lack of brand equity and marketing focus. "Our [MillerCoors] volumes are up, but Miller's performance is disappointing," a source said. Although all but one source said Miller Lite volumes were down yy, MGD 64 gained distribution and sales, with one saying, "MGD 64 is making up a third of Miller Genuine Draft's dollar losses." Most MillerCoors distributors expect stable trends for 4Q09, though some expect Miller Lite to improve. "It's difficult to fix some of these brands overnight. I expect Miller Lite's declines to level off soon," one said.

Coors Light was up for 12 of 15 sources and deemed the only premium beer doing well by several. An industry expert said, "Coors Light is the only growth brand in the top-6 light beers." In addition, several sources reported Coors Banquet growth, and Blue Moon continued strong. Winners from the continued trade down trend were Keystone Light and High Life. "High Life is up for the first time in a long time," one said. Single-serve cans and bottles benefited from trading down. MillerCoors is redesigning its draft mini-kegs of Miller Lite and Coors Light for a 1Q10 rollout after its current bulky design and refrigeration requirement prevented it from garnering shelf space in coolers.

Eight of 14 sources said the joint venture had no impact on their operations, but five said it helped sales trends as well as brewery profit margins. However, another added the profitability was at the expense of the distributor, and one said, "It's become more evident to me that they are struggling to get all the people in the right spots at all levels from management to field representatives."

ABI trends slow as Bud Light decreases

Anheuser-Busch InBev's 3Q09 STRs averaged flat–down 3% yy, a slight deterioration from the July report, with one-half of distributors reporting trends below expectations, compared with one-third in July. Sources said the later Labor Day yy pushed sales from August into September, but in some cases, September did not make up for August weakness. "We knew August would not be good, but we expected September to be up 5%–6%. Labor Day wasn't as good as we thought it would be," a distributor said. Some noted comparisons to retailer buy-ins in September 2008 hurt; this year's buy-ins were more modest as price hikes were lower and retailers had less cash. Weather also hurt trends in some areas, as did the economy, with one source saying, "Consumers don't have cash and they are just not buying beer."

Five of 13 ABI distributors who commented noted accelerating trading down during 3Q09, compared with two of 14 in July. As a result, Bud Light volumes were up for only three sources compared with seven who noted decreasing trends. However, nine cited strong Bud Light Lime trends. Trading down cut into the InBev European brands, with only four of 11 sources carrying InBev citing good sales trends, compared with seven of 12 in the July report. "We are seeing some softening on the Stella brand although it is still up, and Bass is really declining," one said.

"It's difficult to fix some of these brands overnight. I expect Miller Lite's declines to level off soon."

North American distributor

Beer

Despite a tough 3Q09, seven of 14 sources who commented expect yy sales trends to accelerate during 4Q09. Some said easier comparisons would help, and 10 had optimism for the late September/October launch of Bud Light Golden Wheat. "Got the Bud Light Golden Wheat on Tuesday and it's been re-ordered twice already," one said. Four sources in test markets for Bud Select 55 noted strong sales of the low-calorie brew.

InBev's influence questioned

ABI distributors were less positive about the effects of the acquisition on their business, with only three of 12 citing benefits compared with eight of 15 in July, and three citing negative effects compared with one in July. Almost one-third noted a changed marketing focus, often less marketing. "My concern is people take shots at their drinkability campaign. It does not resonate with a lot of people," a distributor said. "They have got to increase their marketing spending." At an ABI-sponsored distributors' meeting in St. Louis Oct. 5-8, ABI announced it would increase marketing spending in 4Q09. "ABI announced a fourth-quarter media heavyup and is concentrating on C-stores, which have been hit the hardest," said one. New creative for Stella as well as a program to co-brand Bud with baseball, basketball and soccer and Bud Light with football and hockey was unveiled.

ABI's profitability focus and cost-cutting were noted by four sources, and two said price hikes were too plentiful. "InBev is a cost-cutting, money-making machine," said one. Inventory loading noted in OTR's July report had all but ceased, with only two noting high inventories.

Hikes may encourage trade-up

Almost all ABI and MillerCoors distributors confirmed price increases of 20¢–85¢ per case, which began as early as September for some. More than one-half confirmed prices would increase more on the low-end to close the price gap between premiums and subpremiums, but it was too soon to tell if the ploy worked. "We are closing the gap in a big way. In fact, competition is going up on subpremiums even more than we are," one ABI distributor said. Another said the gap between the Bud family and Natural Light would narrow the retail price gap to less than \$2 from about \$4, as Natural Light wholesale prices go up by \$1.50 per case.

Although some distributors were reluctant to take prices up, others said consumer acceptance would continue. "In simple terms, the price of everything is going up and beer is still behind in prices, and it's a consistent move from all beer companies," a MillerCoors distributor said. Two sources in New York said September price hikes there to offset losses from the reformed Bottle Bill (which gives 80% of unclaimed deposits to the state rather than distributors and increases distributors' handling fees) may hurt sales. "We had no complaints because we prefaced our [\$1.50 per case] hike with a letter to retailers saying that 80¢ of the increase is coming from the N.Y. legislature," one said.

Labor Day promos help MC

Similar to OTR Global's July report, MillerCoors distributors were more likely than ABI distributors to report more aggressive 3Q09 and Labor Day promotions yy, with four of 12 who responded stepping up promotions yy compared with one of 14 ABI distributors. MillerCoors promotions included multi-packs of premiums discounted as much as \$2.75. One said, "We ran a 90-day promo on 18-pack cans; all multi-packs do well when promoted." Four ABI and three MillerCoors distributors noted fewer promotions yy, and several ABI distributors expect the brewery to change or reduce promotions.

"My concern is people take shots at [ABI's] drinkability campaign. It does not resonate with a lot of people."

North American distributor

Beer

Weather, price hikes hit Canada

Cold, wet weather, stringent U.S. passport restrictions and continued economic uncertainty in Eastern Canada slowed beer volumes to average down 1%–4% yy, decelerating from OTR Global's 2Q09 findings of flat–up slightly. “Poor weather hurt consumption so much. I have never seen a comparable situation,” a Quebec buyer said. Four of 11 sources said sales exceeded expectations, comprising two in Quebec and two in Western Canada who said layoffs resulted in more customers. However, four said trends were below plan, and one-half of repeats cited a deterioration in plan attainment. Four of 12 sources said consumers were trading down, similar to OTR Global's 2Q09 findings. “They're not trading down; they're just not coming in,” a buyer said.

Volume sales of Molson Coors were in line with category sales, deteriorating from July when the company slightly outperformed a more robust category. Molson Canadian and Rickard's were most often mentioned as the strongest growth products, followed by Coors Light. All sources who commented said Molson Coors gained or maintained its share, an improvement from two-thirds in the July report.

As some consumers moved to lower-priced light beers — particularly in Quebec — Coors Light and Bud Light Lime were tied in the race for best-selling light beer, followed by Bud Light. However, some sources noted Bud Light Lime shortages. “Coors Light is No. 1, but only because of the shortage of Bud Light Lime,” one said. Some expect Bud Light Lime to slow in fall, although, ABI's volumes averaged down 2%–5% during 3Q09 yy, a deterioration from OTR Global's 2Q09 findings of flat–up 3%. Labatt gained for four sources, as in the July report, but Anheuser-Busch lost for three, compared with none in the July report.

Superior promotional efforts benefited ABI, with seven of nine sources who commented noting ABI promotions were stable or up yy. “We have done well with Labatt promotions — we just finished one,” one said. Meanwhile, Molson Coors' 3Q09 promotions were down yy for six of 11 sources. Two said Molson Coors promos lagged competition. One said, “Molson has lost some small clients; they are concentrating on big clients.” Meanwhile, six of 13 sources cited price increases, ranging from 2%–3% for Molson Coors and Labatt in southern Canada to a 9% increase in northern Canada. One reported a sharp decline in category sales as a result.

Field Force checks of three supermarkets in Quebec found ABI with more shelf space than Molson Coors in two of three stores, similar to July. However, Sleeman Light gained space in one store, with the manager noting it was “closing in on Bud Light.” Two cited Bud Light as their fastest-growing brand, as in the July report. Bud Light had the low-end price point of \$21.32 in two stores (although in one it was matched by Sleeman Light) while Coors Light held the lowest price of \$21.32 in the third. Promotions had trailed off with summer's end, and only one manager singled out a most-aggressive promoter: Coors Light.

“Coors Light is No. 1, but only because of the shortage of Bud Light Lime.”

Canadian source

BRAZIL

AmBev benefits from new items

Volume sales of AmBev averaged flat–up 5% during 3Q09 yy, slowing slightly from OTR Global's 2Q09 findings. Almost one-half of repeat sources said AmBev's yy sales trends decelerated from July, with many reporting bad weather; however, an equal number reported an improvement. Sources said the launch of Antarctica Sub Zero (a twice filtered, light pilsner) in late 2Q09 and past innovations such as the Skol small shot (269ml) aimed at women fueled AmBev sales. One

Beer

distributor reported he used to sell 300 boxes of the 1-liter bottles of AmBev products per month one year ago, but now sells 16,000 boxes. However, sources said AmBev sales in southern Brazil were sluggish because of new drunk-driving legislation, and several large events were cancelled because of the H1N1 virus. Skol and Brahma were top sellers for AmBev.

Six of eight sources who commented said 3Q09 category sales were flat to up slightly yy, with three-fourths of repeat sources reporting yy sales trends were unchanged or had decelerated from 2Q09. "There is too much rain this time of the year," one said. Seven sources said category sales were in line with their expectations, while only three reported sales were above expectations. Beer sales were strongest in the Northeast region where economic stability brought new consumers. "The talk of the town is how fast the beer market is growing," a buyer said. Three sources said the niche for craft and imported beers is growing fast, while only three sources reported trading down, similar to the July report.

Four of 12 sources said overall beer promotions were up yy, compared with one of eight in the July report. AmBev stepped up promotions because of fierce competition and was named as the most aggressive by five sources, compared with two in July. In some cases, AmBev cut Skol prices to compete directly with **Cervejaria Petropolis S.A.**'s Itaipava. "Who sells more and gives us a better profit during price promos is AmBev," a buyer said. Prices remained unchanged, but most sources expect a price increase by 4Q09 typically led by AmBev.

Nearly all sources reported AmBev gained share during 3Q09, similar to the July report. "We're gaining some share points with new consumers that migrated from other brands after tasting Sub Zero," one distributor said. Two sources said Itaipava gained in Rio de Janeiro, and four said Molson Coors' Cervejaria Kaiser lost share.

EUROPE

No summer lift in Europe

Beer volumes continued to be soft in Europe: flat-down 4% in Germany, down 2%–7% in the United Kingdom and down 11%–16% in Russia on average yy. This represents a slight improvement in Germany, no change in the United Kingdom and a deterioration in Russia compared with OTR Global's 2Q09 findings. Russian sales were the most likely to be below expectations. The recession hurt on-trade sales in all countries, although warm summer weather helped in Germany. In the United Kingdom, higher prices, limited promotions and the economy undermined off-trade sales, while pub closures cut into on-trade. In Russia, consumers switched to self-made spirits or cheap vodka; several also said volumes suffered from brewers cutting production of economy brands to push premium brands.

InBev volumes lagged category trends in all countries, with the greatest share loss in Russia, where volumes deteriorated to down 12%–17% yy after being down 10%–14% in 2Q09. InBev's deterioration was attributed to a worsening category, fewer promotions compared with competitors, and a lack of new products. This resulted in share losses with more than one-half of sources. Meanwhile, InBev trended down 2%–7% yy in Germany and down 3%–8% in the United Kingdom, similar to OTR Global's 2Q09 findings. Most German sources reported share losses because of difficult comparisons with last year's successful launch of Beck's Ice. Some sources also pointed to 1Q09 price increases, although these were partly offset by promotions. In the United Kingdom, InBev underperformed mainly in the on-trade channel but fared better in off-trade, gaining share from Molson Coors. This was underpinned by incremental sales growth from Stella Artois 4ABV and

"The talk of the town is how fast the beer market is growing."

Brazilian buyer

INBEV

Beer

a relatively good performance from Beck's. However, InBev was outperformed in both channels by **Heineken N.V.** Several sources reported an improvement for InBev's Budweiser brand, helped by marketing and price cuts.

InBev prices were stable in Germany and the United Kingdom after 1Q09 hikes. In Russia, most sources reported no price changes, but some received low-single-digit hikes. Promotions and discounts were stable for all but one U.K. source, while German sources were divided and Russian sources were less likely to report decreased InBev promotions yy than in July.

Molson Coors' 3Q09 U.K. beer volume sales were down 7%–12% yy, strongly underperforming the category but improving slightly compared with OTR Global's 2Q09 findings. Two repeat sources noted yy trends improved, but three each cited stable or deteriorating trends. Share losses — mainly for the Carling and Grolsch brands to Heineken, InBev and **Carlsberg A/S** — were particularly strong in off-trade, as in July, while it lost only slightly in on-trade. Sales suffered from earlier price hikes and strong competition. Another price hike in August, by 1.9%, was reported by one on-trade source and two more reported an increase in discounting and promotions, compared with none in July. However, both said it came too late to ease the 3Q09 decline. "It just started in September, but hopefully it will lift their [4Q09] performance," one said. However, most sources expressed discontent with Molson Coors' pricing policy, with one saying, "Unless [Molson Coors] starts seriously investing in price deals, they may lose their market position and loyalty of their customers; we have already noticed a great migration to [Heineken's] Fosters."

MOLSON COORS

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Beer

U.S. Distributors

ON ANHEUSER-BUSCH INBEV

"The first half of the year was great, but July killed it. Every weekend, we had rain here in the Northeast."

"The sell-in for Labor Day did not happen until September this year."

"We were down in July, August and September. It seems like the recession has finally caught up to us."

"We had a solid September, but the buy-ins have not been as good. We have customers that don't have any cash, so that is the problem with the buy-ins."

"Labor Day sales were soft. The weather was cooler and it was a week later."

"People will break out of the doom-and-gloom attitude to have nice holidays. It's not fashionable to spend affluently right now, but the good beers — crafts and seasonals — are very strong."

"The trading down has slowed, but people are trading down in package size — for example, from buying a 30-pack to a 24-pack."

"Subpremiums are doing OK, but they are not going to make up for the loss in the Bud family."

"The price increases are on select packages for the most part. ... I don't think the price increases are going to have a huge negative effect because they are limited."

"The competition went higher than we did, which is a beautiful thing."

"There is great potential for consumers to trade back up, especially as the economy improves."

"We did not want any price increase. We are glad they did not go up as much as they wanted to on the premium."

"A-B is cutting way back on postoff weeks going forward, and expecting us to sell the same volume."

"Bud Light Golden Wheat is a light beer, so it is more for someone who is not used to drinking wheat beers. A Hoegaarden fan probably would not like it."

"With the price increase coming, we are sitting on almost nothing. They will stock us back up this week after the hike."

"Everyone compares [InBev] to what it was, but it is not going to be that again. They are a smart company, doing the right things."

"You'd think there'd be a huge focus on InBev brands now, but there's not; less focus on Stella now. We make money on it, but InBev did a lot more marketing for Stella before they owned A-B."

ON MILLERCOORS

"Miller Lite is losing to a number of different brands — Bud Light Lime, MGD 64, Coors Light, even Keystone Light — no one can put their finger on it as to why."

"Coors has built huge brand equity through sponsorships [NASCAR, NFL and the Super Bowl] and innovation."

"Single-serve malt-liquors [Sparks and Steel Reserve] are doing well. Single-serve beers overall are benefiting from trading down."

"It's not that the distributors have lost momentum. We still price, promote, distribute, rotate and merchandise. We haven't done anything less to get this decrease in sales. I want to see [MillerCoors] provide the pull; we're providing the push, and we just need them to create some pull, and we will all be smiley faces."

"Coors Light is a sweet drink that appeals to the younger demographic, plus it's easy to transition from Keystone Light to Coors Light. It's not two different tastes, like some of the other beers."

Beer

“If the trend is your friend — and we all know it is — and Coors Light is the No. 1 brand in our region, it will continue to go that way.”

“The price increase will have some effect on trading down; low end will be closer in price to the premium. But people will continue to trade down.”

“The suppliers got a little greedy, and it’s not the right time to take a price increase. It ranges anywhere from 40¢–80¢ a case. It’s significant at retail and more noticeable at on-premise.”

“They will realize synergies even more next year. They won’t have the production issues they’ve had this summer. They’ve got all breweries up and running.”

Canada

“People are not paying for expensive wines but going for lots of glasses of beer and middle-of-the-line beer.”

“When oil wells are down and high-wage earners laid off, beer sales are up.”

“The big issue is the new U.S. passport regulations. Tourists aren’t crossing the border.”

“Imported or full price beers are showing growth.” *Quebec*

“Molson is stable. I have not seen anyone taking the lead.” *Quebec*

“There is more [promotional] activity in all the segments.” *Quebec*

“Blue has seen a big drop. They are not advertising it. They are pushing Bud and Bud Light, which are selling better.” *Canada-Quebec*

“There is a new draft beer, Rickard’s Dark. It’s coming; it’s not here yet. It’s like a Guinness.” *Quebec*

“Molson Coors has launched two new products: Miller Chill, their answer to Bud Light Lime, and in Ontario, Canadian 67, their response to MGD 64. It won’t do as well, though, because it is second in the market and it’s too late in the year.”

Brazil

“[Ambev is] planning to grow through innovations in different segments like family, entertainment, happy hour at the office, events, and also through a strategy to mix up consumers’ minds, like when we rolled out Puerta del Sol beer 15 days before Femsal launched Sol.”

“AmBev continues to lead; the dispute is between AmBev brands.”

“There are consumers who go for what’s cheapest.”

“Ambev promotes strongly, and it has been like that for the past few months.”

“Itaipava entered the Formula One race, sponsoring Jenson Button and Rubens Barrichello.”

“Itaipava and Crystal are growing due to strong marketing and lower prices.”

Europe

UNITED KINGDOM

“Inbev’s volumes improved slightly thanks to a relatively good showing from Stella 4% [ABV]; on the other hand, Stella 5% [ABV] is still struggling.”

“After so many price hikes [from Molson Coors], we moved to expand Heineken/Scottish & Newcastle’s presence at the cost of Molson Coors. So there is no surprise that while Molson Coors sales are falling down 10%, some Heineken brands are growing by as much as 20%.”

“We received yet another price hike from Molson Coors in August; it is very disappointing for us. It now amounts to £7.7 per barrel, that’s up 1.9%.”

Beer

GERMANY

“Recession, higher prices from some brewers, the smoking ban and the absence of a major sport event — no, we didn’t have very high expectations for this year.”

“The market has been very promotional. Inbev [also] has been very active too —especially on Beck’s six-packs — so we had them down only slightly behind the category despite difficult comparisons.”

RUSSIA

“We don’t buy any expensive brands [from Inbev]; we have them from Heineken or BBH. From Inbev, we order only Klinskoe now.”

“With us, [Inbev] maintained its market share due to many premium brands and also well-known economy brands like Klinskoe.”

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U.S. Distributors

1a. Did 3Q09 Anheuser-Busch, SABMiller, Molson Coors and MillerCoors U.S. volume STRs increase, decrease or remain the same yy?

	ABI	MILLERCOORS	COORS	MILLER
Up 21%–25%:	-	-	1	-
Up 15%–20%:	-	-	1	-
Up 11%–15%:	-	1	1	-
Up 6%–10%:	-	2	4	-
Up 3%–5%:	1	1	-	-
Up 1%–2%:	1	2	1	1
Up less than 1%:	1	-	-	1
Up:	-	3	1	-
Flat:	3	-	1	3
Down:	-	-	-	1
Down 1%–2%:	5	5	1	1
Down 3%–5%:	3	-	3	3
Down 6%–10%:	2	-	-	3
Down 11%–15%:	-	-	-	-
No response:	-	-	-	1
Not applicable:	-	1	2	1
Weighted average:	Flat–down 3%	Up 1%–4%	Up 7%–10%	Down 1%–4%
2Q09 average:	Flat–down slightly	Flat–down 3%	Up 5%–8%	Down 5%–8%

1b. Did 3Q09 Bud Light, Miller Lite and Coors Light volumes increase, decrease or remain the same yy?

	BUD LIGHT	MILLER LITE	COORS LIGHT
Up:	3	1	12
Flat:	6	-	2
Down:	7	13	1
Not applicable:	-	1	-

1c. Were your 3Q09 beer sales above, below or in line with your expectations?

	ABI	MILLERCOORS
Above:	3	3
In line:	5	8
Below:	8	3
No response:	-	1

2. Do you expect your yy STR trends to accelerate, decelerate or remain the same for the remainder of 2009?

Accelerate:	7	2
Remain the same:	5	12
Decelerate:	2	-
Don't know:	1	-
No response:	1	1

3. Is there trading down in the beer category, and if yes, do you expect it to intensify, diminish or remain the same during the next three to six months?

Yes, accelerate:	5	2
Yes, remain the same:	6	7
Yes, decelerate:	2	4
No trading down:	1	1
Don't know:	-	1

Beer

4. Were 3Q09 beer inventories above, below or in line with normal levels?

	ABI	MILLERCOORS
Above normal:	2	3
Normal:	10	8
Below normal:	3	3
No response:	1	1

5. Did you have or do you expect frontline price increases during 2H09?

Yes, confirmed:	15	14
No, none:	1	-
No response:	-	1

6. Were your discounts and promotions for 3Q09 and Labor Day more or less aggressive or the same yy?

More aggressive:	1	4
Same:	9	6
Less aggressive:	4	2
No response:	2	3

U.S. MillerCoors Distributors

7a. Has the MillerCoors joint venture had a positive, negative or neutral effect on sales?

Positive:	5
Neutral:	8
Negative:	1
No response:	1

7b. How is the MillerCoors joint venture changing Miller and Coors' U.S. operations? (Some sources gave more than one answer while others did not respond.)

New shipment points:	3
Improved forecasting:	2
Standardized pallets:	2
Other:	8

8. What new products helped 3Q09 sales, or for what products are you optimistic for 2H09?

MGD 64:	8
None:	1
No response:	6

Anheuser-Busch InBev Distributors

9. Do you carry the InBev brands, and if yes, how would you rate sales?

Good:	4
Fair:	6
No response:	1
Not carried:	5

Beer

10a. Has the acquisition of Anheuser-Busch by InBev had a positive, negative or neutral effect on sales?

Positive:	3
Neutral:	3
No impact:	6
Don't know:	2
No response:	2

10b. How is InBev changing Anheuser-Busch's U.S. operations? (Some sources gave more than one answer.)

Changing marketing focus:	5
Focus on profits:	3
Too many price hikes:	2
Fewer restrictions on operations:	2
Minimums for orders:	2
Cutting costs:	2
Pushing inventory to distributors:	2
Other:	3

11. What new products helped 3Q09 sales, or for what products are you optimistic for 2H09? (Some sources gave more than one answer while others did not respond.)

Bud Light Golden Wheat:	10
Bud Light Lime:	9
Bud Select 55:	4
Bud American Ale:	2
Shocktop:	1
Michelob Ultra:	1

Canada

12a. Did 3Q09 category, Molson Coors and ABI volume sales increase, decrease or remain the same yy?

	CATEGORY	MOLSON	ABI
Up 1%–5%:	4	3	4
Up less than 1%:	1	1	-
Up:	-	-	2
Flat:	2	-	2
Down:	-	1	1
Down 1%–5%:	4	3	3
Down 6%–10%:	2	2	1
Down 11%–15%:	-	1	-
No response:	-	1	-
Not applicable:	-	1	-
Weighted average:	Down 1%–4%	Down 1%–4%	Down 2%–5%
2Q09 average:	Flat–up slightly	Up 1%–4%	Flat–up 3%

* One very large source's weighting was reduced to avoid skewing average

† Outlier excluded from average

‡ Very small source whose large increase does not affect the weighted average

Beer

12b. Were 3Q09 beer trends above, below or in line with your expectations?

Above:	4
In line:	3
Below:	4
No response:	2

13. Are consumers trading down in the beer category?

Yes:	4
No:	8
No response:	1

14. Are beer inventories above, below or in line with normal levels?

Above normal:	1
Normal:	12

15. Which light beer is selling the best? (Some sources gave more than one answer.)

Coors Light:	6
Bud Light Lime:	6
Bud Light:	5
Corona Light:	1

16. Which beer companies gained, maintained or lost share during 3Q09? (Not all sources responded for each brand.)

	GAINED	MAINTAINED	LOST
Craft brews:	4	-	-
InBev's Labatt:	4	9	1
Molson Coors:	3	8	-
Sleeman:	2	-	1
Heineken:	1	-	-
Anheuser-Busch:	1	1	3

17a. Did Molson Coors' and ABI'S 3Q09 promotions and discounts increase, decrease or remain the same yy?

	MOLSON COORS	ABI
Increased:	2	3
Same:	3	4
Decreased:	6	2
Don't know:	-	2
No response:	1	1
Not applicable (no promos):	1	1

17b. Were Molson Coors' 3Q09 promotions above, below or in line with competitors?

Above:	1
In line:	4
Below:	4
Don't know:	3
Not applicable (no promos):	1

18. Did you receive price increases or decreases from either Molson Coors or InBev's Labatt for 2H09?

Yes, increases:	6
No:	7

Beer

Brazil

19a. Did your 3Q09 beer volume and InBev volume sales increase, decrease or remain the same yy?

	CATEGORY	INBEV
Up more than 30%:	1	1*
Up 6%–10%:	-	1
Up 1%–5%:	2	4
Up:	-	1
Flat:	4	3
Down 6%–10%:	1	1
Down 11%–15%:	-	1
No response:	4	-
Weighted average:	Not averaged	Flat–up 5%
2Q09 average:	Flat–up 5%	Up 1%–6%

* Excluded from average

19b. Were 3Q09 beer value sales above, below or in line with expectations?

Above:	3
In line:	7
Below:	1
No response:	1

20. Have your beer inventories been above or below normal, and if so, for which brands?

Above normal on Brahma:	1
Normal:	11

21. Are consumers trading down in the beer category?

Yes:	3
No:	7
Sometimes:	1
No response:	1

22a. Did 3Q09 beer promotions and discounts increase, decrease or remain the same yy?

	PROMOS	DISCOUNTS
Up:	4	5
Same:	7	6
Down:	1	1

22b. Which brewers have been the most aggressive in promotions or discounts?

AmBev:	5
All about the same:	2
Itaipava:	1
FEMSA:	1
None:	2
Not applicable:	1

23. Did any beer companies increase or decrease 3Q09 wholesale beer prices?

	INCREASED	DECREASED
Yes:	2	4
No:	10	8

Beer

24. Which beer companies or brands gained, maintained or lost market share during 3Q09? (Some sources gave more than one answer while others did not respond.)

	GAINED	MAINTAINED	LOST
AmBev's Skol:	6	1	1
AmBev's Brahma:	3	3	-
AmBev's Antarctica:	2	-	1
Itaipava:	2	-	2
Sol:	-	1	-
Schincariol:	-	1	1
Kaiser:	-	-	4

Europe

25a. Did 3Q09 beer same-store volume sales increase, decrease or remain the same yy?

	RUSSIA	U.K.	GERMANY
Up 1%–5%:	-	2	1
Flat:	-	2	2
Down:	1	-	-
Down 1%–5%:	-	3	3
Down 6%–10%:	3	1	1
Down 11%–15%:	2	-	-
Down 16%–20%:	1	-	-
Down 21%–25%:	1	-	-
Weighted average:	Down 11%–16%	Down 2%–7%	Flat–down 4%
2Q09 average:	Down 7%–11%	Down 2%–7%	Down 1%–6%

25b. Were 3Q09 category trends above, below or in line with expectations?

Above:	1	2	1
In line:	2	4	4
Below:	5	2	1
No response:	-	-	1

26a. Did InBev brands' 3Q09 same-store volume sales increase, decrease or remain the same yy?

Up 1%–5%:	-	3	-
Flat:	-	-	1
Down 1%–5%:	-	2	2
Down 6%–10%:	1	2	4
Down 11%–15%:	5	-	-
Down 21%–25%:	1	-	-
Down 41%–50%:	1*	-	-
Not applicable:	-	1	-
Weighted average:	Down 12%–17%	Down 3%–8%	Down 2%–7%
2Q09 average:	Down 10%–14%	Down 3%–8%	Down 3%–8%

* Weighting reduced

26b. Did InBev gain, maintain or lose market share during 3Q09?

Gained:	1	2	-
Maintained:	2	3	3
Lost:	5	2	4
Not applicable:	-	1	-

Beer

27a. Did InBev's 3Q09 prices increase, decrease or remain the same?

	RUSSIA	U.K.	GERMANY
Up 1%–5%:	3	-	-
Flat:	2	8	7
No response:	3	-	-

27b. Did InBev's 3Q09 promotions increase, decrease or remain the same yy?

Up:	3	-	3
Same:	2	6	4
Down:	1	1	-
Not applicable:	-	1	-
No response:	2	-	-

United Kingdom Only

28a. Are 3Q09 same-store volume sales for Molson Coors up, down or flat yy?

Down 1%–5%:	3
Down 6%–10%:	4
Down 21%–25%:	1
Weighted average:	Down 7%–12%
2Q09 average:	Down 8%–13%

28b. Did Molson Coors gain, maintain or lose market share during 3Q09?

Gained:	1
Lost:	7

29a. Did Molson Coors' 3Q09 prices increase, decrease or remain the same?

Up:	1
Same:	7

29b. Did Molson Coors' 3Q09 promotions increase, decrease or remain the same yy?

Up:	2
Same:	2
Down:	4

Beer

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