



BARONS TO BUILD NEW BREWERY AT ILG

SYDNEY, 20 OCTOBER 2009 – Barons Brewing announced today a partnership with Independent Liquor Group (ILG), where Barons will build a state-of-the-art, domestic brewing facility in ILG's Sydney Warehouse. The strategic alliance will allow for both parties to capitalise on operational profitability while offering a greater range of products at the most competitive pricing possible.

"Building our own brewery is a major move for Barons. The retail liquor market is crying out for another serious competitor and the Barons/ILG brewery will be there" says Barons Founder Scott Garnett. "ILG is one of the most respected distributors in the industry and this partnership is going to have a serious impact on the future of the beer business." By locating the brewery at the heart of the ILG distribution centre, Barons will realise massive benefits in terms of reduced logistics expenses and time to market.

The goal for the Barons Brewery at ILG is to concentrate on continued growth in domestic market share and increasing brand strength. Barons will build, own and manage the brewery, while ILG will provide the site and distribution. The venture will enable both companies to produce a wider variety of products at better margins, offer exclusive brands and benefits to ILG members, and continue to grow a network of loyal and dedicated partners. "By locating the brewery at ILG, Barons is now in control of its own destiny and will be a serious player in the domestic beer industry" says Sean Neylon, Founding Director of Barons.

"The partnership between ILG and Barons will provide tremendous expansion opportunities for both companies," says ILG CEO Doug Evans. "The brewery gives us the opportunity to offer our members so much more in terms of product, service and competitive advantage. It's a win-win situation for everyone involved, particularly ILG members."

The new brewery will create significant local jobs while validating the resurgence of Australian made products. "This is an important initiative that will benefit consumers through a more competitive Australian landscape, particularly important considering the ever increasing takeovers of our major brewers by foreign owners" " says Garnett.

The Barons Brewery will be built on-site at ILG's Erskine Park facility. The \$30+ million dollar project will have the capacity to produce 250,000 hectoliters of beer per year, and accommodate a 100-200 hectoliter brew house, translating to approximately 3.15 million cases of packaged beer per year. Based on average industry numbers, if the Barons Brewery at ILG produced 3 million cases in the first year, it would equal \$66 million in turnover and \$24 million in gross profit.

The brewery will be built by a team of Belgian engineers who are responsible for some of the most technologically advanced breweries in the world. The team will be led by Willem Van Herreweghen, Director of Quality & Business Development for Palm Breweries NV. Willem brings with him nearly 30 years of experience with some of the most internationally recognized beer companies, including Stella Artois and Trappists of Rochefort. Building of the Barons Brewery at ILG will commence in the first quarter of 2010 with a target to begin brewing by the end of next year.

About Barons

Founded in 2005 by Scott Garnett and Sean Neylon, Barons is the fastest growing, independent beer company in Australia. With a portfolio of brands including Barons, Lucky Drink Co., Snowy Mountains Brewing and 88 Balls, Barons offers a complete range of styles to suit every taste. Barons beers are 100% natural and preservative free, and boast the most sought after ingredients from around the world. Barons is available across Australia and internationally in the United States, the United Kingdom, Europe and Russia.

About ILG

From modest beginnings in 1977, ILG has become a significant business in the wholesaling and distribution of wine, beer, spirits and tobacco to over 1200 members across NSW and QLD. The Independent Liquor Group Co-operative Limited is a member owned organisation open to all independent retail licensed outlets and also includes manufacturers and suppliers of liquor and tobacco products in its membership base. ILG operates within the co-operative structure and incorporates the co-operative principles in its decision making process.

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