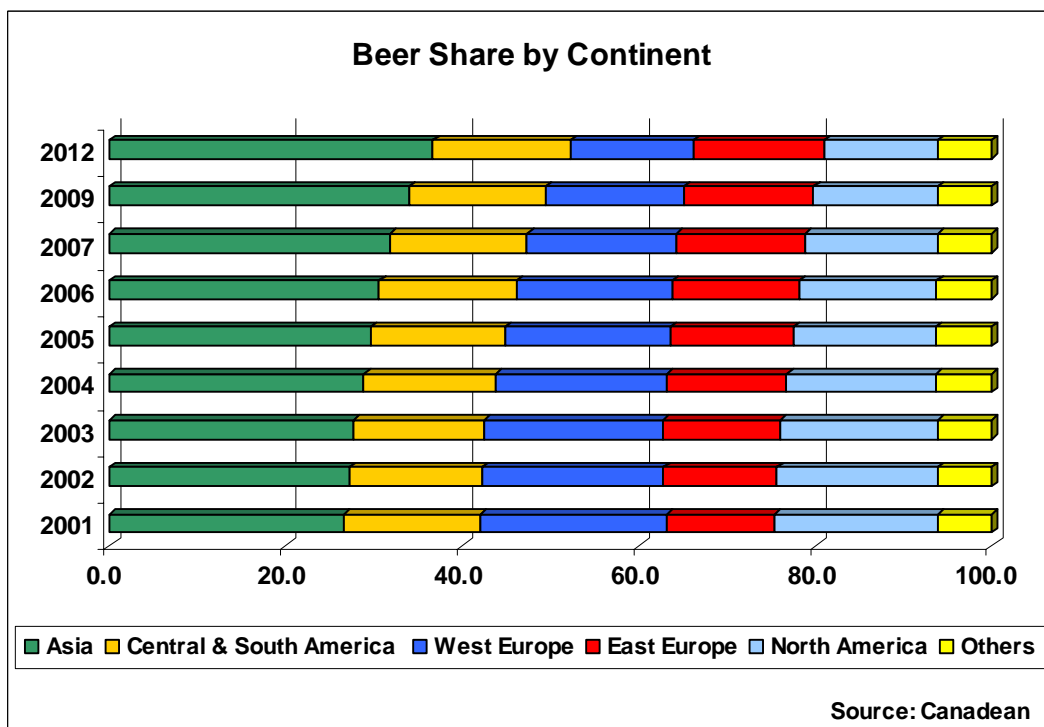


NEWS from Canadean

Chinese Take Away Still Open For Business

The Global Brewer Handbook, recently published by Canadean, suggests that the consolidation process in China is still far from complete. A look at the numbers in Canadean’s latest Global Beer Trends report (also just released) helps to explain why the spotlight remains firmly on the Chinese market, as key developed markets show the symptoms of maturity. China has established itself as the world’s leading producer and consumer of beer, but there is still plenty of slack in the market. Canadean forecasts predict that by 2012, China will account for more than one in every four litres sold around the world. In contrast, the mature markets of Western Europe are expected to shrink between now and 2012, while North American sales will creep forward by less than 5% - at the end of 2006, these markets made up a third of global beer sales, by 2012 Canadean estimate that they will make up little more than a quarter (27%).



Beer sales in China enjoyed double digit growth in 2006 and are expected to again in 2007, yet per capita levels still languish at around 14 litres, well behind their Japanese neighbours, who drink more than 50 litres. The big players on the global stage want to invest in this potential, with the world's leading brewer, InBev, leading the charge. InBev made the largest foreign acquisition to date with their purchase of Fujian Sedrin in 2006 and has also begun production of a brewery in the Zhejiang province. The company's share of the Chinese market has now reached to 8%, the Fujian Sedrin deal almost doubling their sales volume in the country. Asia now accounts for 19% of InBev's global beer sales. Not surprisingly, InBev is not alone in its interest in China, number two brewer, SAB Miller, has also been very active in China through its joint venture, China Resources Enterprises. The third biggest operator, Anheuser-Busch, who now sells 14% of its beer in Asia, is planning a green field brewery in the Guandong province to produce the world's leading brand Budweiser.

Investment in China is not exclusive to the global brewing super powers; regional operator Suntory, from Japan, dramatically increased its stake in the market last year. Suntory snapped up the Fosters Group's Shanghai Brewing Business and its local Chinese beer brands. The company now operates 3 breweries in the Shanghai area and now features in Canadean's Top Twenty Global Brewers with 1% of the world's beer sales.

Elsewhere around the globe, Canadean report a slowdown in the pace of consolidation. This is partly due to a lack of acquisition targets but also because the industry appears to have entered a short period of integration and rationalisation in 2006. The world's leading brewers are integrating their newly acquired businesses into their current set ups, rationalising their operations, cutting the fat and improving their portfolio management. Future mega mergers cannot be ruled out in the near future and already the financial world is speculating as to the next big deal in the global brewing industry.

The two new reports from **Canadean's Beer Service** are compiled using Canadean's extensive global brewer and brand database. "**Global Beer Trends 2007**"

spans the period 2001-2012 and includes information on over 200 countries, together with nine regional summaries and a world overview. Useful summary sheets are also provided for over 50 countries. **"The Global Brewer Handbook 2007"** provides details of the leading brewers worldwide from 2002-2006, both globally and by region. Company profiles examine the sales, structures and strategies of 25 leading brewers.

For further details on either the Global Beer Trends or The Global Brewer Handbook, visit www.canadean.com or contact Canadean's Kevin Baker on Tel: +44 (0) 1256 394218, email: kevin.baker@canadean.com.

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