



Labatt London Brewery

November 8th, 2011

Labatt London Brewery

- Brewing beer in London since 1847
- Part of Anheuser-Busch InBev:
 - 18 breweries in North America
 - Focus on 'Better World' initiatives:
 - Environmental, Community & Responsible Use
- Compete externally with other beer companies for sales
- Compete internally with other Labatt breweries for production volume
- Proven water conservation
- London Brewery is Labatt's "Hometown Brewery". We are proud of our London heritage



Local Economic Impact

- \$27 Million in salary and wages
- 450 employees
- Since 2004, \$77 million in capital expenditures
- Normal course of business economic spinoffs – transportation, raw materials to name a few
- Sponsorship
- Community investment

Labatt

Community Investment



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“Open for Business”

- Our London Brewery has extra capacity to draw new brands, volume into the plant – we can grow
- Beer market trends: smaller size, specialty brands
 - Must justify volume addition by being the low cost producer
 - Additional volume may require new capital expenditures which will bring construction investment into London’s economy
- London Brewery is “Open for Business” but need City of London’s support to keep us competitive & relevant in decisions to allocate brewery volume

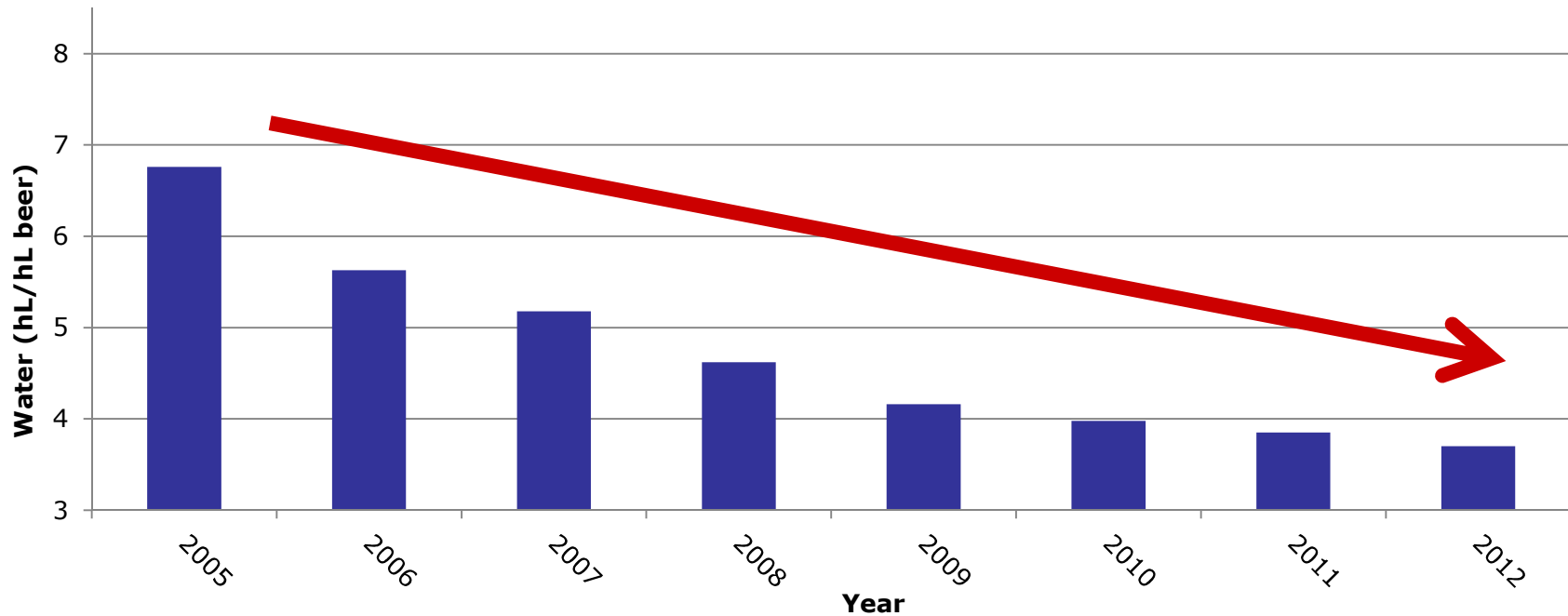
Labatt

Proven Water Conservation

45% REDUCTION !

Winner of OWWA 2011 Award of Excellence in Water Efficiency

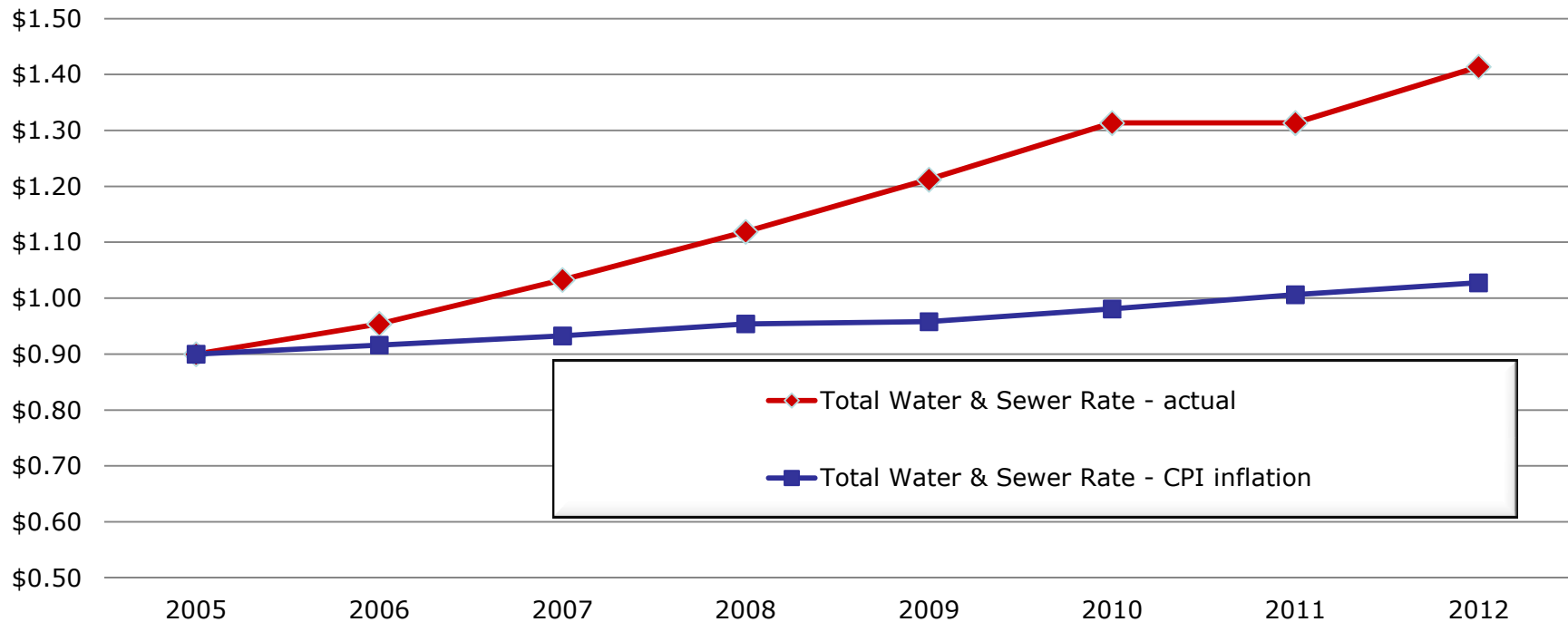
London Water Usage 2005 to 2012



Water & Sewer Rates Increasing

**57% INCREASE IN RATE OVER 7 YEARS
INCREASES ARE MUCH HIGHER THEN INFLATION**

Labatt London Water & Sewer Rate



Summary

- Compete internally with other Labatt breweries for production volume – must stay a low cost producer in order to grow and re-invest in London
- Labatt is London proud – 167 years
 - Brewery employees
 - Construction jobs
 - Materials, Transportation, etc.
 - Community investment
- Proven water conservation BUT this is not producing cost savings due to large increases annually to water and sewer rates
- RECOMMENDATION: Continue water rate freeze or reduce any rate increase to be in line with rate of inflation

