



2011 Annual Report

The mission of the Washington Beer Commission is to promote Washington beer, benefit the state's breweries, and increase awareness and demand. Here is some of what the WBC accomplished over the past year to achieve that goal:

- Adding a new event in Bremerton, featuring 23 state breweries and netting \$37,541 in net proceeds.
- Development of two promotional videos (Feb launch)
- Production of 100,000 Washington Beer coasters
- Production of 50,000 Washington Brew-Ha! brochures
- Web site update including fresh content agreement
- Washington Beer promotional booth at GABF
- Deposit for hosting a beer pavilion at the 2012 NW Foodservice show.
- Advertising support in Seattle Magazine helping lead to an October cover story (right).
- Ratified a Policies and Protocols manual for WBC.
- Started an informative monthly brewers newsletter.
- Increased to 1,740 active WABL members, 1,660 people like the Washington Beer Commission on Facebook and we “tweet” at least four days a week on Twitter. We have also begun to use smart phone QR codes for driving consumers to www.washingtonbeer.com

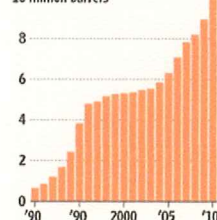


Brewing Up

Sales and production of craft beers has risen, amid the decline of beers as a whole.

Craft beer output in the U.S.

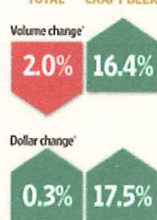
10 million barrels



*Through November

2011 U.S. beer industry

TOTAL CRAFT BEER

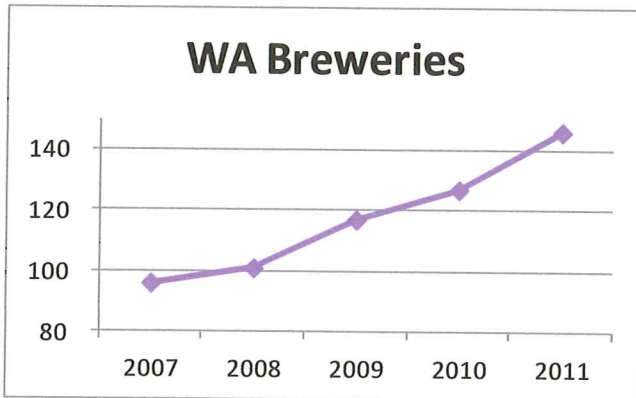


Source: Brewers Association (output); Nielsen



The WBC Marketing Committee spent \$25,002 in 2011 on the items above and will have \$63,000 budgeted in 2012 to continue its mission of promoting Washington Beer.

Washington craft beer is a leader in the National trend of increased production and sales of craft beer as depicted nationally (left) and supported by the numbers on the reverse side of this report.



When the WBC was formed in July of 2007 the state had 96 producing breweries.

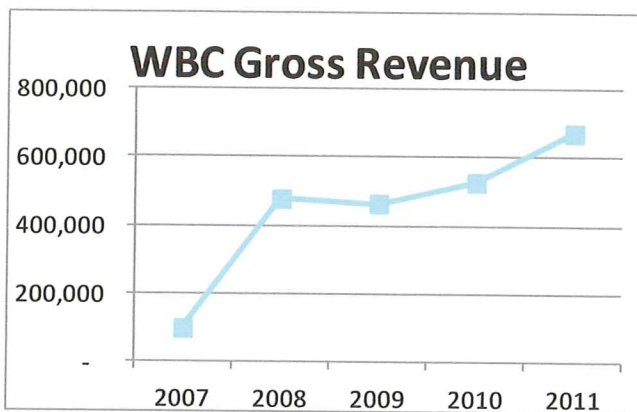
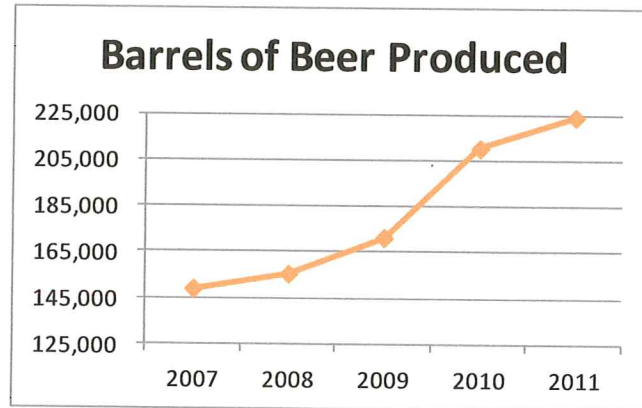
At the end of 2011 there are 147 breweries producing beer in Washington. This is an increase of 53% in the total number of state breweries over the last four years.

Annual increases since 2007 are 5.2%, 15.8%, 8.5% and 15.7% respectively.

Numbers provided by the WSLCB.

It is safe to assume that with the growth in number of statewide brewers that the number of barrels produced in the state would also trend upward.

In 2007 the state produced 149,234 barrels of craft beer. At the end of 2011 the total barrels produced will approach 225,000 barrels (December numbers pending). This is an increase of 51% in craft beer production over the last four years. Annual increases since 2007 are 4.3%, 10.2%, 22.7%, and 6.9%.



Annual gross revenue of the WBC has grown from the \$97,064 in 2007 to \$673,391 in 2011.

The WBC has gone from producing three tasting events in the Seattle area to producing six events covering the state (Spokane, Bremerton). Event production costs have also risen as well as the cost of beer but the bottom line for 2011 was a net profit of \$52,842. In addition, \$25,003 of new money was spent on marketing Washington craft beer bringing the actual net for the year \$77,845.

The Washington Beer Commission held its first day-long annual retreat in October of 2011 and formulated some key goals for the coming year(s):

- Continue to add tasting festivals around the state as the primary source of revenue for the WBC.
- Work on legislation to allow for additional sources of WBC revenue that also market Washington beer.
- Increase the market share of craft beer sold in Washington and detail that progress.
- Develop a brand strategy that includes clear messaging and education of the Washington beer brand.
- Increase/enhance social media presence as a marketing tool.
- Create a rainy day fund of 25% of operating costs in case of bad weather or other unforeseen disaster.
- Build a strong working relationship with the Washington Brewers Guild.
- Support the annual Washington Brewers Open House (February 25, 2012).

Additional detailed financial information including Balance Sheet, Profit and Loss Statements, Budget vs. Actuals and WBC meeting minutes are available at www.washingtonbeer.com.