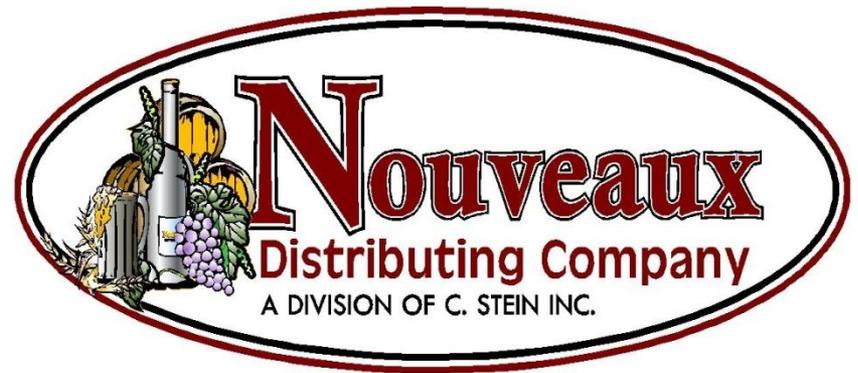
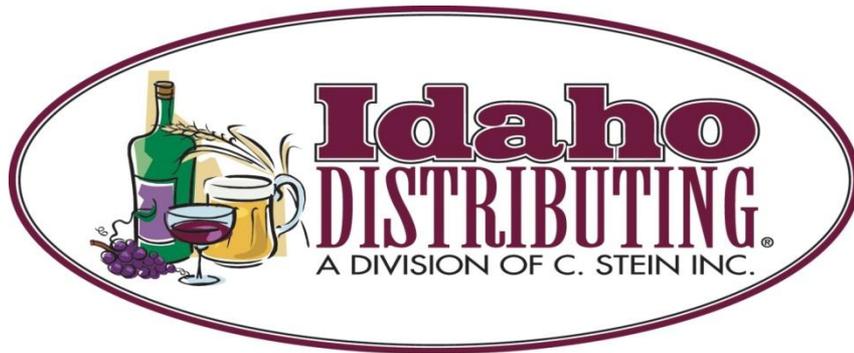


2012 IDAHO MARKET PROFILE



CSBG HISTORY

- **History**

- ◆ C. Stein Beverage Group (CSBG), an Idaho corporation wholly owned by Craig Stein, is the parent company of C. Stein Distributing, Inc., Idaho Distributing Company, and Nouveaux Distributing Company.
- ◆ Craig Stein founded C. Stein Distributing, Inc. in Washington State on May 14, 1990 when he purchased Cascade Distributing in Vancouver, Washington. C. Stein Distributing, Inc. started with 11 employees.
- ◆ Since 1990 C. Stein Distributing, Inc. has been aggressively growing its distribution business and has made significant acquisitions to build its beer, wine, and non alcohol brand families in both Washington and Idaho. In 1998, C. Stein, Inc. was formed and Spirit Distributing Company in Boise, Idaho was purchased.
- ◆ In August 2007 C. Stein Beverage Group purchased Nouveaux Distributing Company of Ketchum/Sun Valley, Idaho.
- ◆ In March, 2008, C. Stein Beverage Group purchased the Coors Distributing Company (CDC) in Meridian, ID. The CDC and Spirit Distributing were consolidated into a new company, Idaho Distributing Company.
- ◆ As a result of C. Stein Beverage Group's growth, the company is one of the largest beer, wine and non alcohol distributors in the Northwest and Intermountain market areas. With distributorships in Vancouver, Boise, and the Sun Valley/Ketchum markets, C. Stein Beverage Group employs approximately 350 team mates. Current annual sales are over 7 million case equivalents.
- ◆ The company celebrated its 20th anniversary on May 14, 2010. The company recognized 8 of the original 11 employees continuously employed at its Vancouver, WA location. A new 20 year anniversary logo was introduced.
- ◆ In March, 2011 exciting changes were made to the CSBG Executive Team. Craig Stein assumed the role of CEO. Dennis McAuliff was promoted to President/COO. Rob Sims advanced to Director of Operations.
- ◆ In June, 2012 C. Stein Distributing, Inc. began selling spirits in WA state.

CSBG HISTORY CONT'D

- **C. Stein, Inc. Acquisition History**

◆	1990	Cascade Distributing	Vancouver, WA
◆	1991	Fort Wine	Vancouver/Longview, WA
◆	1993	Cowlitz Distributing	Longview, WA
◆	1996	Longview Ice and Storage	Longview, WA
◆	1996	R & R Distributing	Longview, WA
◆	1996	Various Brands from Crown Distributing	Vancouver, WA
◆	1996	Various Brands from Golden Distributing	Vancouver, WA
◆	1998	Spirit Distributing	Boise, ID
◆	2000	Various Brands from Standard Distributing	Longview, WA
◆	2000	Various Brands from Clark County Distributing	Vancouver, WA
◆	2000	Various Brands from Hayden Beverage	Boise, ID
◆	2003	Various Brands from Hayden Beverage	Boise, ID
◆	2005	Evergreen Distributing	Vancouver, WA
◆	2005	Trio Wine Company	Boise, ID
◆	2007	Nouveaux Beverage	Sun Valley, ID
◆	2008	Various Brands from Hayden Beverage	Boise, ID
◆	2008	Coors Distributing Company	Meridian, ID
◆	2010	ROCKSTAR Idaho	Boise, ID
◆	2012	Distilled Spirits	Vancouver, WA

- **19 Acquisitions as of July, 2012**

- ◆ **This successful growth is attributed to the following key factors:**
 - Hiring & developing a strong management team.
 - Providing a healthy working environment with good benefits to employees.
 - Developing long term profitable relationships & trust with our retailers and supplier partners.
 - Taking an aggressive approach to acquisitions.
 - Increasing market share through strong brand growth.

POSITIONING AND PHILOSOPHY

- **Mission Statement**

- ◆ To be the preferred DSD vendor in the market area through:
 - Professionalism
 - Knowledge
 - Customer Service
 - Profit Partner
- ◆ To be the preferred Distributor by suppliers.
- ◆ Exceed information reporting requirements.
- ◆ Exceed standards for operational requirements.
- ◆ Be an employee oriented company.
- ◆ Benchmark against other distributors and exceed productivity and profitability standards.
- ◆ Be a good corporate / community citizen with involvement in each local market area.

- **Business Philosophy**

- ◆ CSBG approaches business as a goal oriented team. Standards of performance exceed the norm for alcohol beverage distributors. We routinely track and measure performance against these standards. We provide leadership to the market through innovation and the management of technology.
- ◆ CSBG views and treats each business relationship with importance and a sense of urgency. We are a proactive company that desires strong partnerships with our suppliers and customers.
- ◆ CSBG has ongoing training for all personnel and expects our team to be the most knowledgeable and professional people in the market place. Our training and professional development budget is funded and allocated annually.
- ◆ CSBG has a plan of continuous improvement for all information systems and will have in place a best practices program to provide timely and concise information to both suppliers and customers. April of 2002 saw a new hardware/ software package go on line and all terminals were converted to PC multi function systems.
- ◆ CSBG is committed to category management as a holistic approach to conduct business. We develop promotional strategies, merchandising plans, pricing strategies and analyses of all pertinent business⁴ information.

CORE VALUES

- **Trust**

- ◆ Every relationship must be based on trust. In our environment, this means that we expect and return a level of trust with our employees, suppliers and customers.
 - Employee Equity – Our employees are our greatest asset and are valued accordingly. Employees are treated with respect and courtesy. They are confident that we will conduct our business ethically. In return, the company demands courtesy, respect and ethical behavior.
 - Customers – They can trust us to deliver a high quality product, to exceed their expectations for customer service and to respond to all concerns with a sense of urgency. Our customers expect us to conduct business in an ethical manner.
 - Suppliers – They can trust us to keep our commitments, to accomplish our agreed upon objectives, and to respond with concern and urgency to any issues or questions that arise.

- **Exceptional Customer Service**

- ◆ Simply stated, we strive to exceed the expectations of our customers for service within the financial, operational and ethical capabilities of the company.

- **Professionalism**

- ◆ Provide industry leadership.
- ◆ Increase profits for our customers, suppliers and company.
- ◆ Grow the business for all stakeholders.
- ◆ Present a professional image in our appearance, behavior and facility.
- ◆ Be a consultant and partner for our customers.
- ◆ Listen to our business partners and employees.
- ◆ Always put our customers first, both internal and external.

CORE VALUES CONT'D

- **Attitude**

- ◆ How we interact with our business partners and our team members is a reflection of our attitude. We strive to develop an attitude that conveys the following:
 - Enthusiasm - A positive mental attitude. We are proud of our business and of our team. We are excited about the future. This excitement and assurance is vital to our success.
 - Proactive - Being proactive is more than taking initiative. It is recognizing that we are responsible for our own choices. We celebrate those in our organization that accept responsibility and make things happen.
 - Confidence & Commitment – We are committed to succeeding. We will succeed if we make a commitment, set goals and execute a plan to accomplish those goals. This knowledge and action creates a confident atmosphere within individuals, teams and the organization.
 - Pride – We are proud of our accomplishments of our team. Our teammates understand that intelligent effort and hard work equals success. The journey as well as the destination is a source of pride for all teammates.
 - Synergy – Win-Win. Whether a personal or professional relationship, we seek ways to find win-win solutions that benefit all involved. It is not my way or your way, but a third way that is better, our way. Our way is about solving problems, seizing opportunities and working out differences through creative cooperation.

- **Strong Work Ethic**

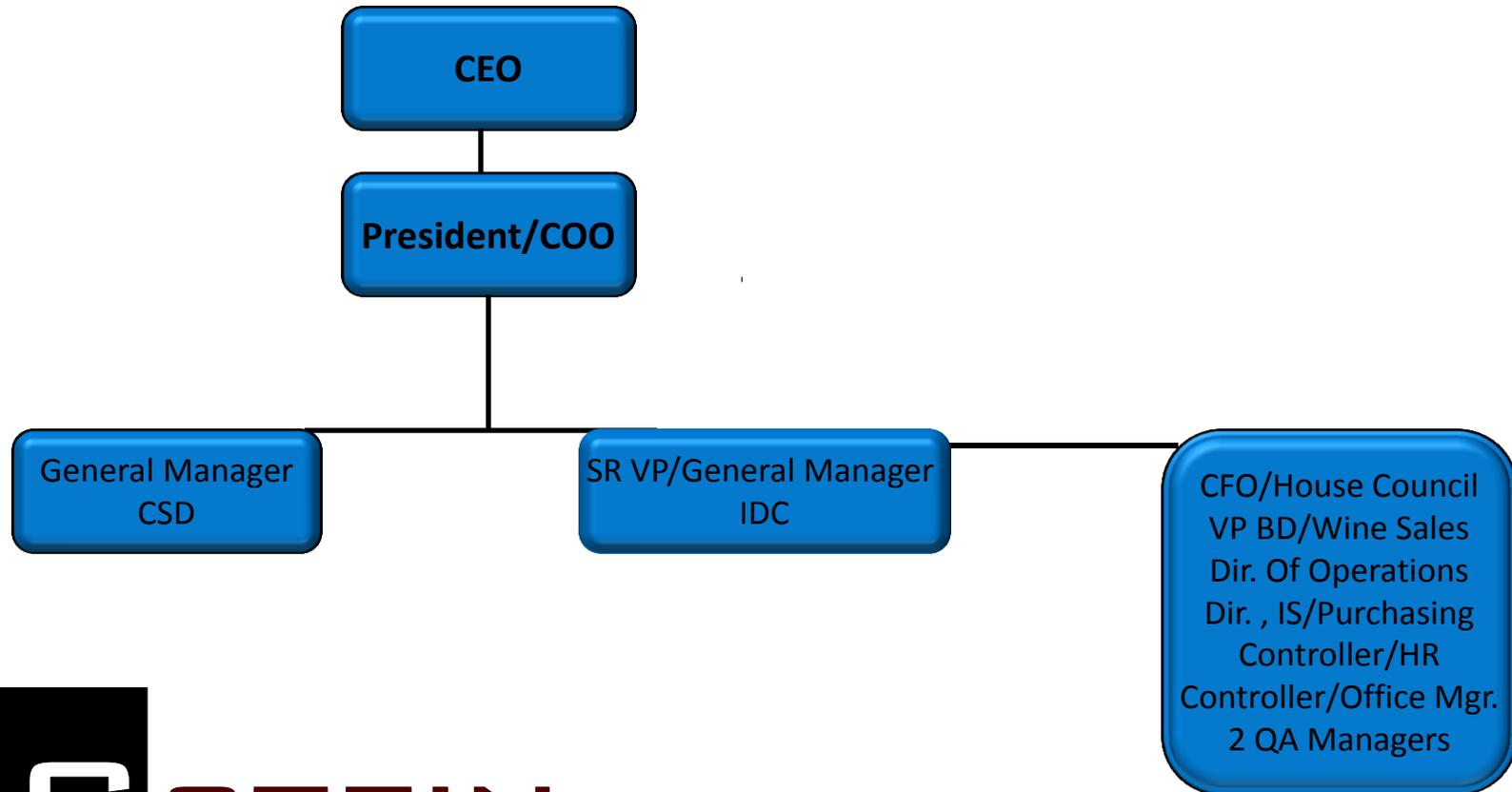
- ◆ Our team has a strong work ethic and knows that without effort there are a few successes.

CSBG EXECUTIVE TEAM

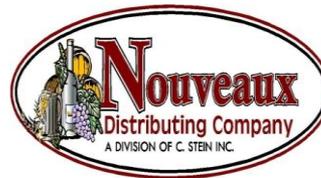
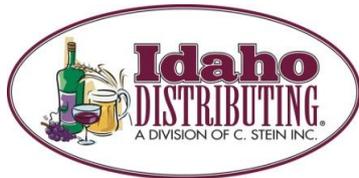
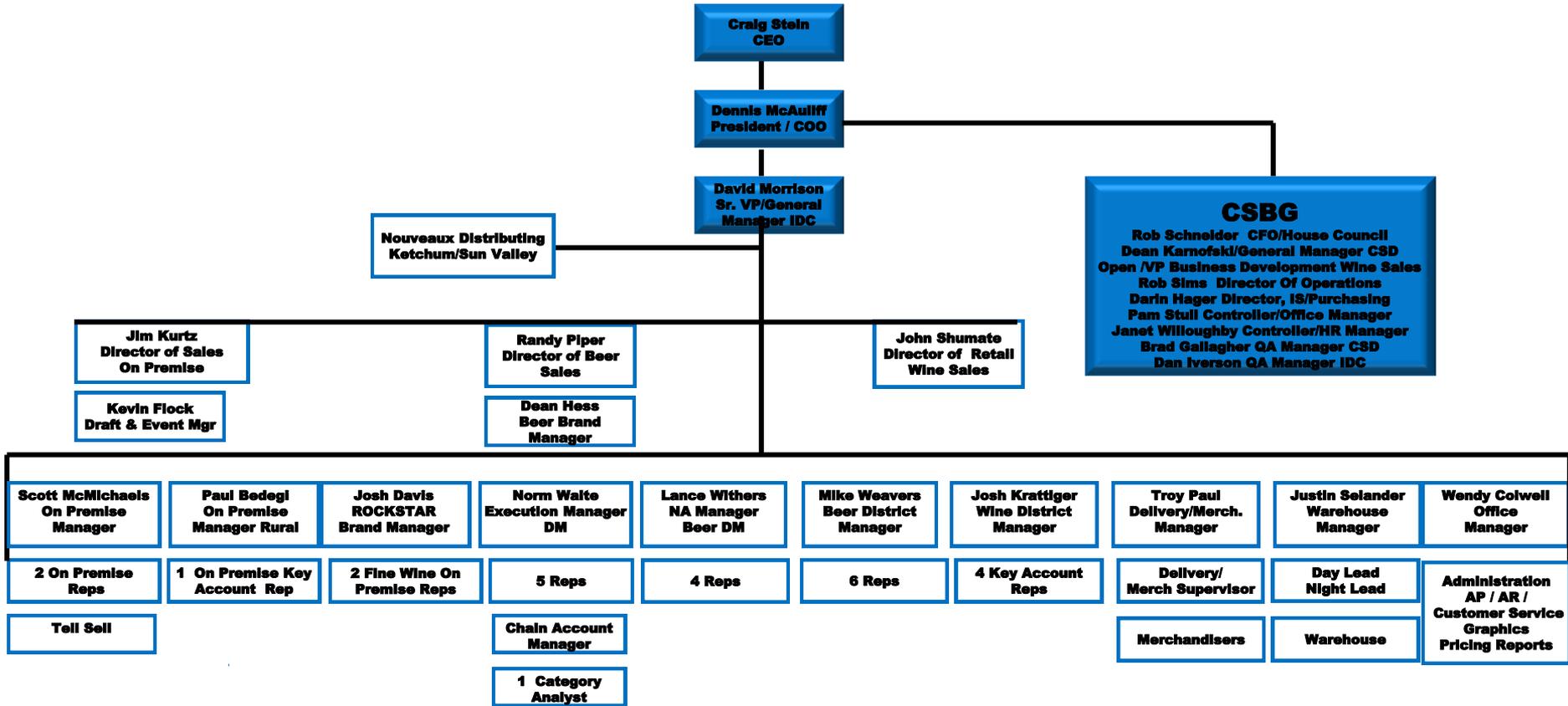
- CSBG is the all-encompassing organization for C. Stein Distributing Inc., Idaho Distributing Company, and Nouveaux Distributing Company.
- The CSBG Executive Management Team is responsible for the overall governance of all 3 companies including strategic business, financial, succession planning, long range vision, as well as policy and procedure development then implementation.
- This team performs as a board for CSBG.
- A number of executive team members are rewarded with long term employment contracts and stock appreciation rights plans for their outstanding service, leadership and longevity.
- 2012 Executive Team
 - ◆ CEO Craig Stein
 - ◆ President/COO Dennis McAuliff
 - ◆ CFO/House Council Rob Schneider
 - ◆ Sr. VP/ General Manger, IDC David Morrison
 - ◆ General Manager, CSD Dean Karnofski
 - ◆ VP Bus. Dev./Wine Sales Open
 - ◆ Dir. Of Operations Rob Sims
 - ◆ Dir., IS/Purchasing Darin Hager
 - ◆ Local Executive Team Members
 - Contoller/HR, IDC Janet Willoughby
 - Contoller/OM, CSD Pam Stull
 - QA Manager, CSD Brad Gallagher
 - QA Manager, IDC Dan Iverson



CSBG EXECUTIVE TEAM



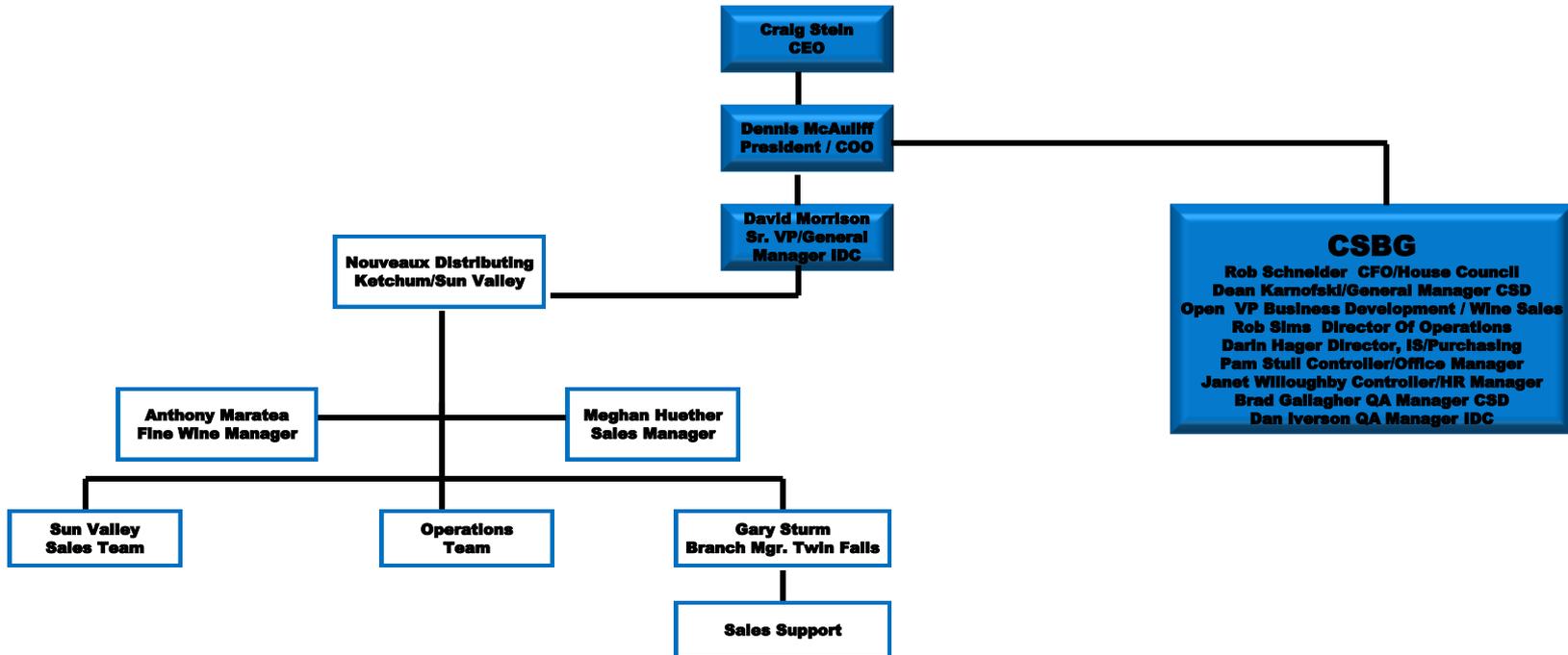
ORGANIZATIONAL CHART



CSBG Idaho Total Employees
Approximately 175

Last Updated July, 2012

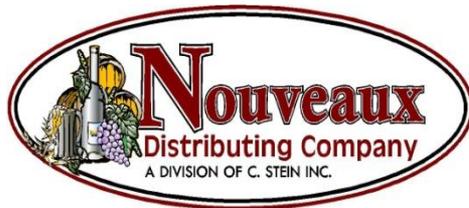
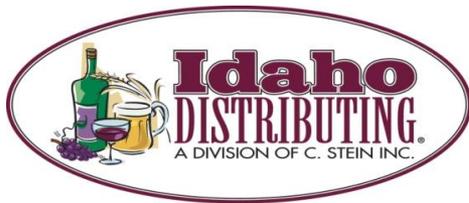
NDC ORGANIZATIONAL CHART



IDAHO MARKET PROFILE

- 2009 Estimated Boise Population

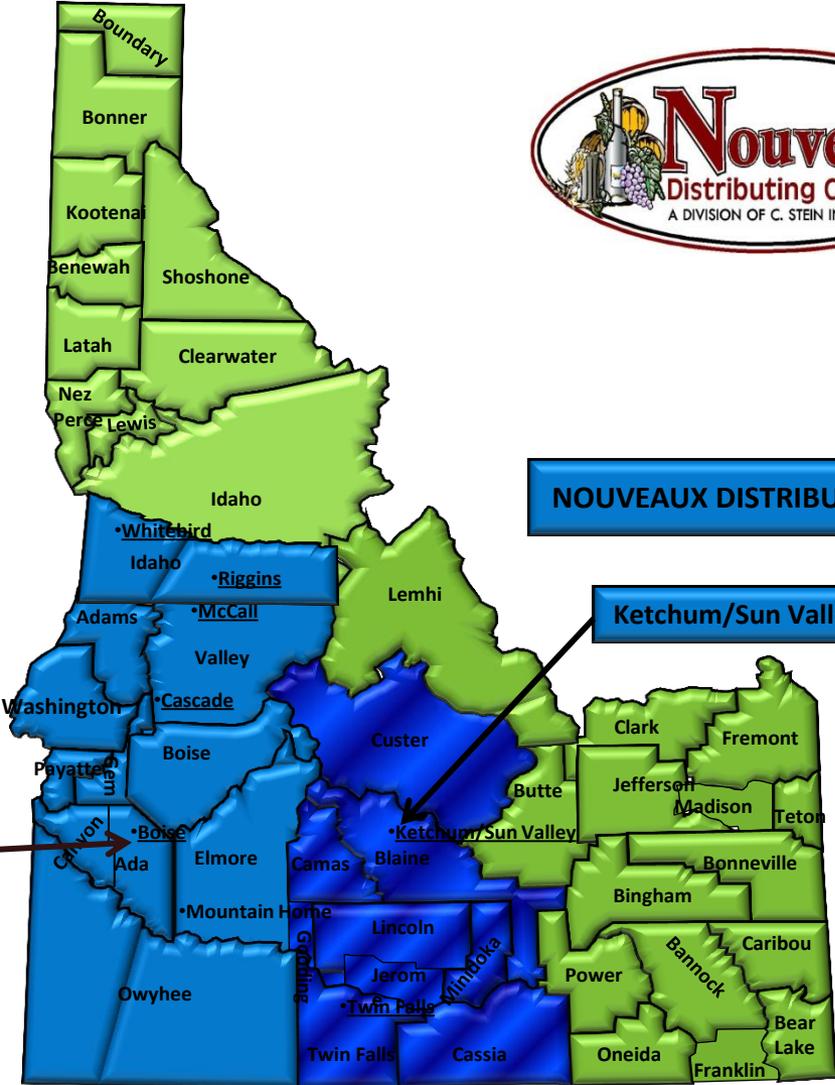
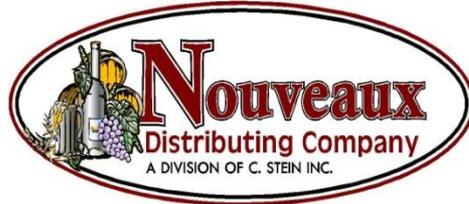
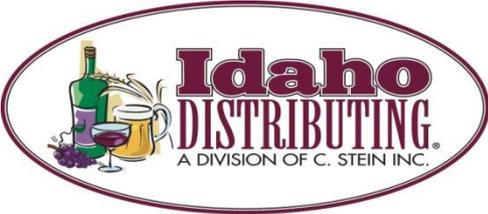
◆ Boise MSA	610,376
◆ Boise City	198,638
◆ Meridian	59,832
◆ Nampa	76,587
◆ Ada County	384,656
◆ Canyon County	186,615



Territory by county

<u>County Name</u>	<u>2009 Est. Population</u>	<u>2009 Med. Household Income</u>
Ada	388,656	\$53,828
Adams	3,520	\$35,932
Blaine	22,328	\$62,717
Boise	7,445	\$49,056
Camas	1,109	\$47,758
Canyon	186,615	\$39,457
Cassia	21,698	\$40,389
Custer	4,240	\$41,773
Elmore	28,820	\$41,922
Gem	16,437	\$42,396
Gooding	14,430	\$36,298
Idaho (partial)	7,730	\$34,778
Jerome	21,262	\$39,636
Lincoln	4,645	\$46,100
Minidoka	19,226	\$42,051
Owyhee	11,223	\$33,753
Payette	23,099	\$45,974
Twin Falls	75,296	\$41,194
Valley	8,726	\$47,457
Washington	<u>10,119</u>	\$36,152
All Territory	876,624	

IDAHO SALES MAP



IDAHO DISTRIBUTING COMPANY

NOUVEAUX DISTRIBUTING COMPANY

Ketchum/Sun Valley

Boise

MillerCoors Service Territory

Non MillerCoors Service Territory

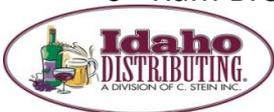
IDC BEER COMPETITION PROFILE

SW ID and Surrounding Counties

- **The competitive landscape**

- ◆ There are currently 6 distributors in the SW ID Market. Of these, 3 are primary distributors and 3 are secondary/ tertiary. The key brands represented are listed on the table to the right.
- ◆ Estimated market penetration (% accounts called on) follows:
 - Idaho Distributing Company 100%
 - Stein Distributing (ABI) 100%
 - Hayden Beverage 86%
 - Idaho Wine Merchants 8-10%
 - BRJ 8-10%
 - Moon River 1%
- ◆ Estimated market share:
 - Idaho Distributing Company 48%
 - Stein Distributing (ABI) 37%
 - Hayden Beverage 15%
 - Idaho Wine Merchants 0.2%
 - Ram Brewpub 0.3%

<u>Idaho Distributing Company</u>	<u>Hayden Distributing</u>	<u>ID Wine Merchants</u>
Domestic	Domestic	Misc.
MillerCoors	Pabst Brewing	
McKenzie River	Micros	<u>BRJ</u>
Import	Alaskan	Misc.
Crown Imports	Bayern	
Merchant du Vin	Big Sky	<u>Moon River</u>
Molson	Boston Breweries	Misc.
Micros	Deschutes	
Boulevard	Full Sail	
Grand Teton Brewing	New Belgium	
Lagunitas	Shiner Bock	
Laughing Dog	Sierra Nevada	
North American Breweries	Imports	
Ninkasi	Dos Equis	
Pike	Guinness	
Stone Brewing	Harp	
<u>Stein Distributing (ABI)</u>	Heineken	
Domestic	New Castle	
ABI	St. Pauli	
Import	Tecate	
InBev	Malternative	
Micros	Mikes Hard Lemonade	
Kona	Seagrams	
Kokanee	Smirnoff	
Odells		
Red Hook		
Rolling Rock		
Widmer		



IDC WINE COMPETITION PROFILE

The competitive landscape

◆ There are currently 5 wine distributors in the SW ID Market. Of these 2 are the primary distributors and 3 are tertiary. The key brands represented are listed on the table to the right.

◆ Estimated market penetration (% accounts called on) follows:

- Idaho Distributing Company 100%
- Hayden Beverage 86%
- Idaho Wine Merchants 8-10%
- BRJ 8-10%
- Moon River 5%

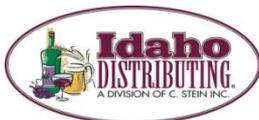
◆ Estimated market share:

- Idaho Distributing Company 32 %
- Hayden Beverage 60%
- Idaho Wine Merchants 8 %
- BRJ 5%
- Moon River N/A

SW ID and Surrounding Counties

<u>Idaho Distributing Co.</u>	<u>Hayden Distributing</u>	<u>Idaho Wine Merchants</u>
Click Imports	Allied Domecq	Bogle
Cline Cellars	Benzinger	J Lohr
Delicate Family Vineyards	Beringer	Robert Haas
Diageo Chateau & Estates	Bonny Doon	
E & J Gallo	Brown Forman	<u>BRJ</u>
Freixenet	Coppola	Misc. Imports
Gloria Ferrer	CK Mondavi – Krug	Willamette Vineyards
Jacuzzi Family Vineyards	Classic Wines of CA	
Lion Nathan	Constellation Brands	<u>Moon River</u>
Marrietta	Duck Pond	Misc.
Merryvale	Ferrari Carano	
Palm Bay	Franciscan	
Precept	Fosters Wine Estates	
Pernod Ricard	Grigich Hills	
Seghesio	Indian Creek	
Rodney Strong	Jordan	
S. F. Wine Exchange	Kendall Jackson	
Sawtooth	Kobrand	
Shaw Ross	Martini & Rossi	
St. Michelle Wine Estates	Moet Hennessy	
Terlato Wines	Seagrams	
Winebow	Southcorp	
Low Proof Spirits	Stone Cellars	
Gaetano	Trinchero Family Estate	
Jose Cuervo	Vila Banki	
Kaluha	William Deutsch	
TGI Fridays		
Non Alcoholic		
ROCKSTAR		

Last Updated July, 2012



PUBLIC RELATIONS

- **Community Events**

- ◆ CSBG has a corporate philosophy of being actively involved in community events. As members of local Chambers of Commerce, we participate in and sponsor many events. Special events include those held at the larger venues, including the Idaho Center, Qwest Arena, Les Bois Park, Idaho Center Amphitheater, Boise Contemporary Theater, and Boise State University in Idaho, and The Sleep Country Amphitheater and Clark County Fairgrounds in SW WA. We participate in most large theater and art productions and fundraisers, professional rodeos/sporting events and county/state fairs.

- **Association Memberships**

- ◆ CSBG actively participates in numerous organizations which contribute to the strength of the industry. With the beer, wine and natural beverage industry in a constant state of change, the following organizations help us keep abreast in our market: National Beer Wholesalers Association, Wine & Spirits Wholesalers of America, National Association of Beverage Retailers, American Vintners Association, WBWWA, IBWWA, Coors Responsibility, Miller Responsibility and Wine Business.

- **Strategy and Execution**

- ◆ By virtue of how we view our corporate citizen responsibilities, CSBG is involved in virtually all high profile community events in every market that we conduct business in. We also host several events to educate and inform our customers.
- ◆ CSBG plays a significant role in the responsible use of our products. We provide support and information to numerous agencies and groups regarding responsibility initiatives.
- ◆ CSBG has assumed a leadership role in legislative issues that could impact our industry.

IDAHO PRICING GUIDELINES

- Pricing

- ◆ Posting in the State of Idaho is required by Statute. Price reductions must remain in effect for 6 months from the date of change. Price increases can be made monthly provided there has not been a reduction in the prior 6 months. Changes to suggested pricing must be filed with the State of Idaho 10 working days prior to month end. New products entering the distribution system may be posted at any time. Tax rates are determined by alcoholic content and product classification.

- Policies and Practices

- ◆ CSBG assists suppliers in developing a pricing strategy to fit the market and ensure that network pricing is acceptable to other wholesalers and retailer. We also provide, upon written request, detailed monthly pricing surveys for either/or wine and beer.

PROMOTIONS

- ***Chain Account Management***

- ◆ CSBG routinely completes chain account calls both in and out of our market. We make quarterly calls on all major chains, and monthly calls to all chains headquartered locally in our market. Major chain accounts include Albertson, AM/PM, Chevron, Costco, Cost Plus, Fred Meyer/Kroger/QFC, Jacksons, Minit Mart, Rite Aid, Safeway, Shell, Target, Walgreens, Wal-Mart, Whole Foods and Winco.

- ***On Premise Promotion***

- ◆ Our commitment to this key market segment is vital to building premium brands within the marketplace. Our approach is to provide our customers with a knowledgeable staff, participate in their success by training and educating their staff and to provide the very best of service.

- ***Marketing Support***

- ◆ CSBG works with the wholesaler network in Washington and Idaho to coordinate programs and pricing strategies to facilitate chain execution. These would include events like Northwest Wine Month for Albertsons, regional sales and display contests for key chains, core wine list development for chain accounts and sub jobbing accommodation for smaller distributors to ensure product availability for chain programs.

- ***Marketing programs***

- ◆ CSBG has the staff and facilities to develop in-house POS to support programs.

DISTRIBUTION

- ***Distribution strategy***

- ◆ Our distribution strategy is to place all new products into distribution by appropriate channel within the first 30 days of availability. CSBG works with suppliers to identify the best and most appropriate channels and target accounts to provide quality distribution. We will track attainment of target accounts on a regular basis. (Based upon mutually agreed frequency).

- ***Channels of distribution***

- ◆ The typical channels of distribution are:
 - Chain Retail
 - Independent Retail
 - Convenience Store Chain
 - Convenience Store Independent
 - On Premise Tavern Chain
 - On Premise Tavern Independent
 - On Premise Restaurant (Sub Class White Table Cloth Ethnic Foods etc.)
 - Military
 - All above channels have a classification that groups by volume as well

- ***Distribution by channel***

- ◆ CSBG recommends that all distribution goals be established by Channel and account volume.

CATEGORY MANAGEMENT BUSINESS DEVELOPMENT

- The concept of category management has become a fundamental part of the consumer goods business. Our approach to this important process reflects the core values of CSBG. We have established a relationship based on credibility and trust with many of our key retail partners.

◆ **Strategy**

- To build sales and profitability for our customers and supplier partners through effective assortment and space allocations
- To encompass all aspects of the category
- To make all projects fact based
- To maintain trust and credibility
- Have all personnel certified in Advanced Space Planning and Solution Selling by Miller Coors Training and Development

◆ **Successes – Current Partners**

- Albertsons - Beer and Wine
- Fred Meyer - Beer and Wine
- Rite Aid – Beer and Wine
- Safeway - Wine
- Wal Mart – Wine Only Beer (Southwest Washington)
- Winco – Validator Beer & Wine
- Jacksons Food Stores – Validator Beer and Wine
- Big Smokes-Developer Beer (No Wine)
- Maverik Beer Validator (No Wine)
- Ridleys Co Developer / Validator
- Pauls Co Developer / Validator

SUCCESS METRICS

- The following are intended to serve as guidelines for measuring and objectively determining performance and achieving success. We operate our business with an annual plan. We invite our suppliers to participate in setting goals and objectives for our annual plan.
 - ◆ First year goals
 - Index to other brands or market demographics and volume from similar sized markets and market potential
 - ◆ Additional year goals
 - Performance Index similar to above
 - ◆ Measures of success/failure
 - Sales Goals – meet or exceed
 - Distribution Goals - meet or exceed
 - Promotional Objectives - meet or exceed
 - ◆ Requirements for success
 - Investment by supplier and distributor in programs and manpower
 - Meet and exceed communication expectations with Information Required, Method of communication, Frequency and timeliness
 - Support – Manpower / Supplier time / Promotional expense by distributor and supplier
- **We are passionate about our business, and our commitment to our customers and supplier partners.**

LONG TERM INVESTMENT FACILITIES

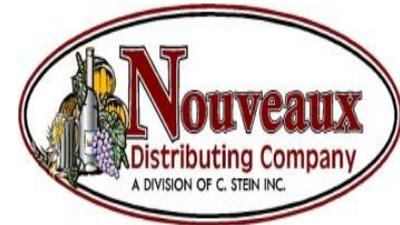
- Facilities Vancouver – 2001

- ◆ 98,000 sq. ft. total
- ◆ 70,000 sq. ft. temperature controlled
- ◆ 13,500 sq. ft. refrigerated
- ◆ 10,500 sq. ft. offices



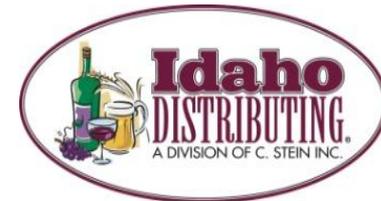
- Facilities Ketchum/Sun Valley – 2007

- ◆ 5,000 sq. ft. temperature controlled
- ◆ Offices, warehouse, keg cooler and cross dock



- Facilities Boise – 2008

- ◆ 170,000 sq. ft. total
- ◆ 80,000 sq. ft. temperature controlled
- ◆ 5,000 sq. ft. refrigerated
- ◆ 13,000 sq. ft. offices



INFORMATION SYSTEMS

- The C. Stein Beverage Group recently completed a migration to a “Best of Class” Route Accounting and Warehouse Management System From Encompass Technologies. This Sequel Based program provides real time data, mobile computing and a warehouse management system that incorporates a voice pick protocol resulting in extremely high accuracy in order fulfillment and inventory management.



KEY CONTACTS

CEO	Craig Stein	cstein@steindistributing.com	360-693-8251
President/COO	Dennis McAuliff	dmcauliff@steindistributing.com	360-693-8251
CFO/House Council	Rob Schneider	rschneider@steindistributing.com	360-693-8251
Director of Operations	Rob Sims	robert.sims@iddist.com	208-407-7538
Director of IS/Purchasing	Darin Hager	dhager@steindistributing.com	360-693-8251

WASHINGTON

General Manager	Dean Karnofski	dkarnofski@steindistributing.com	360-823-2537
VP Sales	Denny Sauers	dsauers@steindistributing.com	360-823-2543
Controller/Accounts Payable	Pam Stull	pstull@steindistributing.com	360-823-2515
Director of Beer Sales	Mark Stewart	mstewart@steindistributing.com	360-823-2534
Director of Wine Sales	Dennis Larson	dlarson@steindistributing.com	360-823-2507
On Premise Division Manager	John Laughlin	jlaughlin@steindistributing.com	360-823-2530
Distilled Spirits Specialist	Gabi Kieling	gkieling@steindistributing.com	360-448-0910
ROCKSTAR Brand Manager	Mike Humes	mhumes@steindistributing.com	360-798-3412
Inventory Control	James Eades	jeades@steindistributing.com	360-823-2540
Beer Depletions	Gayle Zimmerman	gzimmerman@steindistributing.com	360-823-2517
Wine Depletions	Andrea Ellington	aellington@steindistributing.com	360-823-2510
Fax		receptionist@steindistributing.com	360-694-3895
Mailing Address/Information		5408 NE 88 th St. B101, Vanc. WA 98665	360-693-8251

IDAHO

Sr. VP/ General Manager	David Morrison	gm@iddist.com	208-955-7906
Controller	Janet Willoughby	janet.jacobsen@iddist.com	208-955-7938
Director Beer Sales	Randy Piper	randy.piper@iddist.com	208-955-7924
Director Wine Sales	John Shumate	john.shumate@iddist.com	208-378-0550
Director On Premise Sales	Jim Kurtz	jim.kurtz@iddist.com	208-866-3008
On Premise Beer Manager	Scott McMichaels	scott.mcmichaels@iddist.com	208-941-6764
Non Alcohol Manager/Beer DM	Lance Withers	lance.withers@iddist.com	208-378-0550
ROCKSTAR Brand Manager	Josh Davis	Josh.davis@iddist.com	208-378-0550
Accounts Payable & Depletions	Wendy Colwell	wendy.colwell@iddist.com	208-955-7920
Inventory Control	Larry Peterson	larry.peterson@iddist.com	208-955-7903
Fax		receptionist@iddist.com	208-377-1626
Mailing Address/Information		4719 Market St., Boise, ID 83705	208-378-0550

Updated July, 2012