



Metropolitan Brewing, LLC

Business Plan

Location: Chicago, IL

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Metropolitan Brewing – Executive Summary

Metropolitan Brewing, LLC will be a microbrewery located in Chicago, Illinois. Microbreweries produce craft beer for off-site distribution and sales. Craft brewers emphasize the quality, variety, and flavor of beer rather than mass-production. Metropolitan's lagers will fill a niche in the Chicagoland craft beer market which currently offers mainly ales. The flagship beers will be an amber lager and a Pilsner style lager. Metropolitan's Old World inspired lager beers will meet the need for a larger variety of fresh, high-quality, locally-produced craft beer in the Chicagoland area.

Since 1978, the craft beer industry has increased market share each year, and is the fastest growing segment in the U.S. alcohol beverage industry. Craft beer sales increased 7.3% 2004, 9% in 2005, 11.7% in 2006 and 12% in 2007. Supermarket sales of craft beer increased 17.8% in 2006. Within the craft beer segment, the fastest growing sector was microbreweries with an increase of 16% in 2006. Industry trends indicate that the craft beer market share will continue to expand. The Chicagoland market provides an excellent opportunity for growth in a densely populated geographic area, where 303,000 barrels (over \$60 million in sales) of craft beer are consumed annually. The existing craft beer segment of this market is dominated by ales, which offers a niche opportunity for craft brewed lagers.

Metropolitan's key customers will be retailers who sell beer either by the glass for on-premise consumption or for off-premise consumption. Metropolitan's beer will be distributed in ¼ and ½ barrel kegs, 12oz. glass bottle 6-packs and 24-ct. cases, and 22oz. glass bottles. In Illinois, beer is sold through the three tier system of brewer - distributor - retailer.

Metropolitan Brewing, LLC is operated and managed by the CEO, and the president. The CEO and Brewery Manager is Doug Hurst; an accomplished brewer with 18 years of experience. The President and General Manager is Tracy Hurst, an accomplished entrepreneur, who has done extensive research on the craft brewing industry and has the ability to autonomously run all brewery operations.

The total capital required to commence sales and delivery of our first lagers is \$650,000. This amount is divided into \$300,000 in debt financing which has been obtained from Associated Bank and will be used for equipment and installation; and \$350,000 in equity capital, \$297,500 of which has already been secured for working capital. It is anticipated that Metropolitan will break even and be cash-positive when production is 165 barrels and sales are \$36,000 per month, which is currently projected to occur prior to the third year of production. Net profits for the third year of production are expected to be over \$104,000.

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Projected Profit and Loss Summary for Production Years 1-5

	Year 1	Year 2	Year 3	Year 4	Year 5
Barrels sold	700	1,800	3,000	4,330	5,200
Sales	\$154,700	\$397,800	\$663,000	\$956,930	\$1,149,200
Less: Cost of Goods Sold	\$83,293	\$214,182	\$356,970	\$515,227	\$618,748
Gross Profit	\$71,407	\$183,618	\$306,030	\$441,703	\$530,452
Total Expense	\$182,635	\$187,960	\$202,022	\$220,260	\$255,507
Net Profit (Loss)	(\$111,228)	(\$4,342)	\$104,008	\$221,443	\$274,945