



## **CCU announces strategic alliance with Postobón to boost growth in the Colombian beer market**

- **CCU today announced an association through joint operations with Postobón which aims to enter the attractive Colombian beer market.**
- **The objective of this joint venture is to develop and energize the beer category and will bring increased innovation and consumer choice.**
- **Postobón and CCU will each hold a 50% stake in the business and have agreed an investment plan of up to USD\$400 million over the next 3 to 4 years.**
- **The initial plans include building a beer production plant which will create nearly 1,000 jobs during its construction phase and an estimated 1.800 direct and indirect jobs once it is operational.**

**Bogotá, November 10th, 2014.** CCU (Compañía Cervecerías Unidas S.A.) today announced a joint venture in Colombia with Postobón, a key player in the Colombian beverages market, which seeks to drive growth and value in the attractive and growing Colombian beer market through the production, distribution and commercialization of new and innovative beer brands, fostering increased consumer choice.

This joint operation represents a phased investment plan over the next three to four years of up to USD\$400 million and will result in the creation of a new Colombian company called Central Cervecera de Colombia S.A.S, in which each shareholder will own a 50% stake.

The operation includes plans to build a beer production plant that will create nearly 1.000 jobs during the construction phase and an estimated of 1.800 direct and indirect jobs once it is operational. The plant will be located north of Bogota in the town of Sesquile.

This strategic alliance will be building on the solid distribution network, supply chain and local beverage market expertise of Postobón and on CCU proven track record in the sale and marketing, as well as the quality of its beer in Chile and in other countries of the region.

CCU is the leading beverage company in Chile known for its extensive portfolio of beers and non-alcoholic beverages. With over 160 years of experience in the market, the Company has more than 90 brands at the regional, national and international level, all of which are recognized by their quality and high consumer preference. CCU has a direct presence in Chile, Argentina, Paraguay, Uruguay and Bolivia. Additionally, it participates in the pisco and wine industries, and its brands are exported to 80 countries worldwide. In



*Postobón S.A.*

In addition to its economic contribution as an employer, CCU has a strong track record of making contributions to society, supporting the social development of the communities, preserving natural resources and respecting the environment.

Postobón is the leading producer and distributor of non-alcoholic beverages in Colombia, with a portfolio of over 35 soft drink, water, juice and energy drink brands. The Company generates over 12,500 direct and indirect jobs and is part of one of the most important economic groups in the country, the O.A.L.

As a result, Central Cervecería de Colombia will provide new impetus to the Colombian market by offering a portfolio of new products, introducing leading domestic and international brands. During the initial phase, the company will deploy a top level executive team and focus on building a presence in the premium segment, beginning with the importation and distribution of the Heineken® brand, the world's most international premium lager brand. Postobón's extensive network of more than 490 thousand points of sale will enable the joint venture to selectively increase the distribution of the Heineken® brand to more outlets with premium potential, providing additional retailers and consumers with high quality international alternatives. Furthermore, the alliance will offer more choice to consumers through the launch of new brands and packaging formats, and industry customers will have a greater variety of suppliers and new opportunities for development. The industry as a whole is expected to benefit from the new energy that the alliance will bring to the category in terms of product diversity and innovation, boosting the opportunity for both volume and value growth of the category as a whole.

*"With our entry into Colombia, CCU ventures into its sixth market in line with the regional expansion strategy defined in our Strategic Plan 2014-2016. We are very pleased with having found in Postobón a robust business partner that has in-depth knowledge of the local market, a successful track record of building brands and an extensive distribution network in Colombia. We are confident that by joining our portfolio, capabilities and our experiences we can drive innovation and energy into the Colombian beverages market, building a future with greater benefits for our consumers, customers, and employees,"* stated **Patricio Jottar Nasrallah, CEO of CCU.**

**Miguel Fernando Escobar, President of Postobón,** highlighted, *"Through this joint venture we are redefining our business strategy, moving the Company from a traditional one-segment portfolio to a multi-category business model. We will expand the product offering by leveraging our distribution network and we will take a closer look at brands that consumers perceive to be of high value. For this reason, we have identified an opportunity in the alliance with CCU to enter the beer market to grow with high-quality brands and products that will motivate and inspire consumers in Colombia."*

Escobar also added, *"Working shoulder to shoulder with CCU, we are unlocking new opportunities to create value and develop a competitive portfolio for the Colombian market. Our investment and our strategic business plan are proof of our commitment to*



*Postobón S.A.*

*consumers, to our customers and to our employees, to contribute to the economic and social development of our country."*

#### **About Postobón**

Postobón S.A., member of the OAL, is the top company in the Colombian non-alcoholic beverages sector, leading in innovation and development with the best-developed brands and portfolio in the country. With more than 110 years of operations and tradition in Colombia, it participates actively in the country's economic and social development, creating shared value with its stakeholders. Postobón has over 12.500 direct and indirect jobs, 23 production plants, 66 distribution centers and serves 490.000 clients in Colombia. It has a portfolio of more than 30 of its own brands, and is especially known for the brands Postobón, Colombiana and Breñaña in soft drinks and Mr. Tea, Hit, and Cristal in non-carbonated beverages; it is also the Pepsi bottling Company for Colombia and distributes the brands Canada Dry and Gatorade.

#### **About CCU**

Compañía Cervecerías Unidas S.A. (CCU), originated in Chile in 1850 where it installed its first beer operations. By the end of nineteenth century the company consolidated under the name of Compañía Cervecerías Unidas CCU (United Beer Company). CCU is jointly controlled by Quiñenco S.A., a Luksic family holding, and HEINEKEN, through Inversiones y Rentas S.A. (60%). CCU employs more than 7.500 people and during 2013, the company produced 21.9 million hectoliters of beverages which were sold throughout a robust distribution network that has over 330 thousand points of sale across 5 countries in South America. The Company's broad portfolio of products and interesting promotional activities is the reason why millions of people enjoy the "world of flavors" experience that CCU offers.

CCU has a tradition of contributing to society beyond generating employment. The Company makes strong contributions to the social development of communities, preservation of natural resources and it respects the environment throughout its operations.

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