

**Labatt's Hamilton Brewery to close April 30**

**Hamilton (March 30, 2010)** - Labatt Breweries of Canada has announced that it is closing its Hamilton, Ontario brewery on April 30, 2010. The move is the result of the constant need to improve its operating efficiency in a demanding market, and unexpected excess capacity in its brewery network.

The Hamilton brewery currently produces beer under the Lakeport brand as well as a number of other Labatt products. There will be no interruption in the supply of Lakeport for consumers as production of these products, and all other Hamilton volume, will be transferred to Labatt's state-of-the-art brewery in London, Ontario.

143 employees at the Hamilton Brewery will be affected as a result of the closure – 99 hourly employees currently working, 22 hourly employees who are currently laid off, and 22 salaried employees.

Labatt will be providing all affected employees with a comprehensive severance and support package. Charlie Angelakos, Labatt's vice president, Corporate Affairs commented, "It is unfortunate that closing the Hamilton brewery is the only rational business decision available to us, however, we have determined that we will do everything we can for the employees."

The severance and support package exceeds normal labour standards:

- In addition to severance pay provided by the company, Labatt will not require employees to work the second four weeks of the eight week notice/work period required by the Employment Standards Act, but will pay them for the full eight weeks. This preferred option provides employees with more "paid time" to look for new employment.
- Labatt has set aside significant funding to help employees in their efforts to find new employment. This funding will be used for re-training, job search, etc. In the next few days, Labatt will meet with Hamilton brewery union representatives to discuss how these funds can best be used to help employees.
- Labatt will actively contact Hamilton area employers requesting that they consider the highly trained Hamilton brewery employees for job opportunities.

"This was a difficult decision," said Angelakos, "but the impact of a number of compelling factors really leaves us no alternative. Canada's beer market is intensely competitive and we need to continually seek the lowest possible overall, and brewery-specific, production costs."

Labatt's decision to close the Hamilton brewery was based on several factors, including the need to constantly improve operating efficiency, especially during an industry downturn. Additionally, since the acquisition of the Hamilton brewery, an agreement reached with the U.S. Department of Justice (DOJ) when InBev and Anheuser-Busch merged in 2008 resulted in the sale of Labatt USA. As a result of this decision, Labatt will be left with substantial excess capacity at its London brewery which has been producing beer for Labatt USA.

With that excess capacity, the London brewery is now able to handle the Hamilton brewery's production levels. London is Labatt's most efficient and advanced brewery, while the Hamilton brewery is among the company's highest cost facilities. Labatt undertook a review and it was clear that transferring the production to London would be substantially less expensive than upgrading the Hamilton brewery.

"The reality of the Canadian market," Angelakos said, "is that state of the art efficiency is mandatory if we want to remain competitive. Our major competitor has only five breweries in Canada while we have seven, so some consolidation was inevitable."

Labatt, which has a history of charitable and community support across Canada, said it will continue to support the Hamilton community and consumers. The company has committed a total of \$500,000 over the next three years to assist worthy causes in Hamilton.

**Labatt Breweries of Canada**

Labatt Breweries of Canada, which was founded in 1847, delivers an unmatched portfolio of more than 60 renowned national, regional and international brands to consumers from coast to coast, including Labatt Blue, Kokanee, Alexander Keith's, Budweiser and the seven Lakeport beers (Pilsener, Honey Lager, Light, Ice, Strong, Red and Ale). Labatt also offers Canadians the most renowned beers on the globe, including Stella Artois and Beck's.

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