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KONA BREWING DOUBLE-DIGIT GROWTH EXCEEDS THAT OF CRAFT BEER INDUSTRY

Kailua-Kona, Big Island of Hawaii— Kona Brewing Company recently announced 30 percent growth in beer sales from 2005 to 2006, nearly tripling the trend of the craft beer industry in the United States, which also registered double-digit growth in 2006. The Brewers Association, a trade organization that promotes and protects the U.S. craft brewing community's interests, just released its 2006 national sales figures that show an 11.7 percent increase. This industry growth comes on top of strong growth in each of the prior three years and illustrates the ongoing surge of consumer interest in craft beers, according to the Brewers Association.

Kona Brewing Company sold 44,777 barrels of beer in 2006 (one barrel equals 31 U.S. gallons), up from 34,296 barrels in 2005. Nationwide, the Brewers Association estimated 2006 sales by the country's 1,444 craft brewers at more than 6.6 million barrels, up some 29.5 percent from three years ago.

In 2006 Kona Brewing Company added new mainland markets to its distribution network and debuted its limited release beer program. The beer currently is distributed in Alaska, Arizona, California, Colorado, Florida, Hawaii, Idaho, Kentucky, Missouri, Montana, Nevada, New Jersey, New York, Oregon, Washington, Japan and Taiwan. The limited release beer program provided consumers with a new specialty beer in bottles and on tap – Pipeline Porter, brewed with 100 percent Kona coffee. Pipeline Porter will be available through April 2007; it will return to the shelves again next fall. In April, the company will package its second limited release beer, a wheat ale brewed with tropical passion fruit.

"The craft beer industry has enjoyed continuous growth every year for the past 37," said Mattson Davis, President and CEO of Kona Brewing Company. "What other industry can claim that? At Kona Brewing Company, we've seen growth every year since we began brewing in 1995, and the past three years have been exceptional. Since our first batch of beer was sold in February 1995, Kona Brewing Company's annual beer sales have increased nearly 3,000 percent!"

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“Craft beer has become a great American success story, and today U.S. craft brewers are being watched, emulated and celebrated globally,” stated Julia Herz, Director of Craft Beer Marketing for the Brewers Association. “Demand has become contagious. Craft beer is satisfying the thirst and beer enthusiasm of a continuously growing number of beer drinkers who are seeking flavor, diversity and value.”

Kona Brewing Company was founded in 1994 and packaged its first batch of beer in February 1995. It has grown into Hawaii’s largest brewery and the 32nd largest producer of beer in the country, with two restaurant sites in Hawaii and beer distribution reaching 15 states, Japan and Taiwan. For information call 808-334-BREW or visit www.KonaBrewingCo.com.

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