



ASX / Media Release
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Empire Beer Group completes settlement on A\$3.5m acquisition of Royal Bar and Brasserie

Key points:

- **Settlement completed on A\$3.5m acquisition of “The Royal Bar and Brasserie” in Perth, Western Australia;**
- **Acquisition is cash-flow positive and funded through existing balance sheet;**
- **Key venue management appointed;**
- **Acquisition represents first stage of recently announced dual growth strategy; and,**
- **Company continues to proactively evaluate a number of potential acquisitions throughout Australia.**

WA based craft beer company Empire Beer Group Ltd (“Empire” or “the Company”) has settled on its \$3.5m acquisition of the “The Royal Bar and Brasserie” in Perth, Western Australia. Settlement occurred at 5pm on the 18th of July 2007.

Settlement occurred within the planned timeframe, and as previously foreshadowed was funded through a combination of existing cash reserves and debt.

The company see this strategic acquisition as a tangible example of the implementation of its dual growth strategy and clearly a significant milestone in the development of Empire.

The two phases of the Empire dual growth strategy will grow profit and develop the Colonial brand by

1. Development of new ‘Colonial Brewing’ micro-brewery venues throughout Australia
2. Acquisition of a portfolio of profitable stand alone food and beverage focused hotels suitable for the distribution and sale of Colonial Brewing Co Craft Beer brands.

As Empire’s first Perth venue, The Royal provides an opportunity for Empire to promote its award winning Colonial Brewing Company Craft Beer brands in the metropolitan market.



Appointment of key venue management

Empire has engaged leading hospitality manager Lyndon Waples as the Venue Manager of The Royal and accomplished U.K. chef Paul Desport as Head Chef.

Lyndon has extensive hospitality experience including four and half years as Venue Manager of the ALH group owned Brass Monkey Hotel in Northbridge, and more recently as the Venue Manager of The Saint George Hotel after its purchase by ALH in February 2007.

Paul has had an extensive career as a Head Chef in the UK, including owning and operating the highly regarded Desport's restaurant in Stratford-upon-Avon, Warwickshire

Both appointments joined Empire prior to settlement so as to manage the handover and ensure a smooth transition to Empire ownership.

Evaluation of further acquisitions

In line with the Company's dual growth strategy Empire continues to proactively evaluate a number of sites throughout Australia. These could be either Colonial Branded Brewpubs or stand alone Food and Beverage venues similar to that of the Royal.

Commenting on today's successful settlement Empire Managing Director Phil Gallagher said "The Royal is a profitable and successful hospitality business that fits perfectly into the Empire strategy of owning and operating Food and Beverage focused hotel venues. It is in a unique location in the growing East Perth area, with north facing water frontage very close to Perth's CBD.

"In this business it is important to have a fantastic venue, but it is also just as important to have experienced and committed staff. We have found that in Lyndon and Paul and we look forward to them assisting Empire in continuing the great success of the Royal and growing the Colonial brands in Western Australia. Importantly for our Shareholders, the acquisition and settlement of the Royal represents the first tangible demonstration of our dual growth strategy which will develop as further acquisitions occur".

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About Empire Beer Group

Empire Beer Group Ltd (Empire, ASX: EEE) listed on the Australian Stock Exchange in January 2007.

The company is the 100 per cent owner of the highly successful Colonial Brewing Company Pty Ltd in Margaret River, Western Australia. Colonial Brewing Company Margaret River was recently named Champion Australasian Brewery and Champion Small International Brewery at the 2007 Australian International Beer Awards.

It is the intention of Empire Beer Group Ltd to continue to expand its operations via the development of new Colonial Brewing Co micro-brewery venues throughout Australia, and the acquisition of food and beverage sales focussed stand alone hotel venues that return high margins and will further develop the Colonial Brewing Co brand.

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