



Dear Three Floyds Devotee,

Welcome to our State of the Brewery Address 2011 year in review addition. Thanks to amazing support from our community of beer lovers we have had yet another great year. This past year saw improvements in every aspect of the brewery, pub and even Indiana laws. We have seen increased production, new equipment, legislative reform, new brands, more small batch beers, amazing pub food, and the start of massive improvements to our facility.

With a constant eye towards maintaining quality and consistency Chris, our head brewer, has driven production to over 20,000 barrels of beer last year over 2010's 15,000 barrels. This was achieved in part due to the addition of a new hot liquor tank as well as additional fermentation and conditioning vessels. A huge part of this increase was also made possible by the internal promotion and training of some new brewers (Abby, Kyle and Cool Breeze) as well as some serious ass kickery by Travis and our people on the packaging side.

This past year we also saw the Three Floyds amendment get passed into Indiana law. Thanks to the spearheading and grim determination of Omar and the rest of the Sun King brewing team our breweries were able to change how a small brewery is legally defined in Indiana. Prior to this amendment the barrel limit for small breweries was 20,000. Anything over that would shift the brewery into a new bracket limiting tasting rooms, pubs and distribution as well as increasing taxes. We were able to lobby and get the barrel limit increased to 30,000. Even with this gain more work needs to be done legislatively. To insure our continued growth we must get out of state distribution excluded from this barrel limit. Our aim is to get Indiana craft beer to be a point of pride for our state and have laws that celebrate it not limit it.

2011 also brought us more varieties of the important stuff, beer. Last year we produced over 40 distinct and delicious beers while increasing production of our flagship beers. Most of the newer brands were very small batches for the pub and limited distribution. Some became much more than that. Jinx Proof Lager and Zombie Dust made their way into six packs and could not have been more well received. Zombie Dust was so well received that we had to contract more hops to keep Zombie Dust in peoples' hands in 2012. We'll do our best to keep up, but supply and distribution will be very limited.

The addition of Chef Mike Sheerin on the pub side last year has also proven to be a great boon for Three Floyds and our patrons. It is our belief that our pub food now matches the quality of the beer. Great artisanal hand crafted cuisine built for beer. We are very proud to offer great pub fare for you brave souls that make it to our Munster, In. industrial park.

December saw the start of a massive reinvestment and improvement project for our pub and brewery. On the brewery side new offices are being built and more importantly a new quality assurance and quality control laboratory. This will ensure that every pint of Three Floyds will continue to be of the highest quality as we expand our production. On the pub side we are adding a private conference room, doubling the size of our kitchen and bathrooms and adding a to go kiosk for merchandise and beer to go. These improvements will provide a better experience for our loyal beer drinkers and pub patrons.

With all this being said, we intend to make 2012 even more productive with increased brewery capacity, great events and always more "not normal" beer .

Nick Floyd
President

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Head Brewer

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