

Established 1866

TRADE MARK



**BAVARIAN · BREWING · Co.**  
— INCORPORATED —  
Brewers and Bottlers  
**· HIGH GRADE BEERS ·**



Pike Street Entrance to Plant—Covington, Kentucky

495,000 Shares

## Bavarian Brewing Co., Inc.

(A Delaware Corporation)

Transfer Agent and Registrar:

United States Corporation Company  
New York, N. Y.

Bonnell & Meyers,  
Syndicate Managers,  
150 Broadway,  
New York, N. Y.

Dear Sirs:

In connection with the offering of Bavarian Brewing Company, Inc. Capital Stock, I take pleasure in submitting the following:

**HISTORY** Bavarian Brewing Company, Incorporated, was chartered under Delaware Laws in November 1932, for the purpose of acquiring properties, real and personal, of a business originally founded in 1866 by John Meyer and William Reidlin and operated under a Kentucky Charter as The Bavarian Brewing Company. Although originally established in a small way the business gradually expanded over a period of years and was in continuous and successful operation from its founding until the adoption of prohibition by which time the company had developed into one of the largest of the thirty-two breweries located in what is known as the greater Cincinnati area.

From 1918 to 1925 the plant was continued in operation, manufacturing near-beer and malt extract. These lines, however, proved a poor substitute for the famous brands for which Bavarian had become noted in this country and in South America including "Reidlin's Select," "Reidlin's Blue Ribbon" and "Bavarian Standard," with the result that operations were voluntarily discontinued in 1925 and the assets of the company liquidated.

**PROPERTY** The property located in the City of Covington, Kentucky, covers a ground area of 102,250 square feet, roughly 85% of which is utilized by plants and roadways. Buildings are of heavy duty fireproof construction and the entire plant was professionally planned by the Cincinnati Brewery Construction & Engineering Company of Cincinnati, a firm of long standing and recognized authority in brewery design. Power plant is a separate building eighty by one hundred feet and thirty feet high with reinforced concrete stack one hundred and eighty feet high, serving four huge boilers and equipped with automatic stokers and underground cinder cleaning devices.

The brew house, connected by underground tunnel to the power plant, has provisions and well holes throughout its five floors for large kettles, hop jacks, rice and mash tubs with thorough ventilation to large open louvers in the tower. The building has white glazed tile wainscoting and is equipped with electric freight elevator.

The mill house adjoins the brew house and is directly connected. Its five stories are divided into fire-proof, ventilated bins for storage of hops, grits, malt and rice. Stock house is composed of nine cellars above the ground constructed with twenty-five inch to seventeen inch brick walls having eight inch cork insulation on the entire interior. Entrances to the cellars are equipped with two sets of heavy refrigerator doors. Rack house and bottling house are two separate buildings adjoining the stock house, each being especially designed for their separate uses. The plant was regarded as one of the most modern and efficient in the middle-west.

**APPRAISAL** The Lloyd-Thomas Company, Appraisal Engineers of Chicago, Illinois under date of February 20, 1933 established the replacement value including Real estate of \$339,504.10 and the sound and depreciated value to a going concern \$247,508.83. A conservative valuation of the land, which covers 102,250 square feet is \$26,795.00. (see \*\*)

Carl J. Kiefer, a consulting engineer of Cincinnati, Ohio, authority on brewery construction after careful examination of the properties under date December 19, 1932 referring to buildings, equipment and property of the Bavarian Brewing Company, Incorporated, reports: "These buildings are of substantial concrete, steel and brick construction and are readily adaptable for the installation of modern brewing equipment in accordance with the latest known practice. We find a great advantage in the type of storage cellars in these buildings over those in most of the old breweries, namely, that they have all been constructed above the grade level and have not been subjected to mold or infection, which has taken place in most of the underground cellars that have been standing idle in recent years."

**CAPITALIZATION** Bavarian Brewing Company, Incorporated, under Laws of Delaware has an authorized capital of \$1,000,000 divided into 1,000,000 shares of common stock with a par value of \$1.00, of which, with the completion of present financing, there will be outstanding fully paid and non-assessable, 650,000 shares.

**PURPOSE OF OFFERING** Purpose of present offering of 495,000 shares is to provide funds for the installation of modern equipment for the efficient brewing and bottling of beer and to provide ample working capital. After giving effect to the sale of the entire offering of 495,000 shares and paying cash for equipment, the company will have assets consisting of cash, real estate, buildings and equipment of \$742,508.83 against which its entire liabilities aside from the outstanding common stock liability of \$650,000.00 would be \$30,000.00 indicating a book value for the common stock in excess of \$1.00 per share.

**CAPACITY** Although buildings are ample for the installation of a plant with an annual capacity of 200,000 barrels, initial equipment is planned for an annual capacity of 125,000 barrels. This it is expected will be increased to 200,000 barrels or more. This expectation is based on the fact that prior to prohibition the greater Cincinnati area had in operation thirty-two breweries, whereas, of this entire number only some six or seven have been maintained in such condition that the manufacture of beer could be resumed. Therefore, it seems reasonable that the plant of this company should be taxed to the utmost to supply the demand which should almost certainly develop.

**EARNINGS** Careful survey of the costs of manufacture, bottling, sale and distribution, based on a 200,000 barrel annual production, or 5,400,000 cases of one dozen "Shorts" each to be sold at 10 cents a bottle, would show a net profit, after allowing for a Federal Tax of \$5.00 per barrel, amounting to \$734,400. On the same basis of calculation, annual production of 125,000 barrels should mean a net profit of \$459,000, equivalent to roughly 70 cents a share on the 650,000 shares to be presently outstanding.

**MANAGEMENT** Executive management is composed of men of high standing, long identified with successful business enterprises in the greater Cincinnati area. Executives of the company expect to be ably assisted in the actual operation of the business by KEY MEN formerly connected with the old Bavarian Brewing Company and others, in important positions, thoroughly experienced with the old company, all of which should prove highly effective in developing the company into a most profitable enterprise.

(Signed) L. S. DEGLOW, President.

## Tentative Pro Forma Balance Sheet

(Giving Effect to Completion of Proposed Financing  
and Purchase and Installation of Modern Equipment)

Prepared by Crane and Hittner, Certified Public Accountants of Cincinnati, Ohio, under date of February 23, 1933.

### ASSETS

Cash.....	\$278,900.00	
Land*.....	26,795.00	
Buildings**.....	220,713.83	
Bottling Plant.....	60,500.00	
Delivery Equipment.....	15,700.00	
Fixtures.....	1,000.00	
General Equipment.....	113,900.00	
Building Improvement.....	25,000.00	
Total.....		\$742,508.83

### LIABILITIES

Mortgage Payable.....		\$30,000.00
Capital Stock Authorized—1,000,000 sh.....	\$1,000,000.00	
Less—Unissued 350,000 sh.....	350,000.00	650,000.00
Capital Surplus.....		62,508.83
Total.....		\$742,508.83

\*The land, owned in fee by the Company, consisting of 102,250 square feet has been appraised by a Covington, Ky. real estate dealer, at \$26,795.00.

\*\*An appraisal has been made by The Lloyd-Thomas Company, Appraisal Engineers of Chicago, Illinois, as of February 20, 1933, in which they certify to a depreciated sound value of the Company's buildings, exclusive of land values, of \$220,713.83 and having a replacement cost of \$312,709.10.

**OFFERING** Orders will be accepted subject to prior sale, the right being reserved to accept or reject any order and in the event of oversubscription to make allotments on a pro rata basis. The stock is offered by us as a speculation in the firm belief that it will prove highly profitable. Resolution has already been passed by the Directors stating that it is the sense of the board that the company will, at the proper time, make formal application to a recognized exchange for listing the stock of this company.

**Offering price prior to application for listing \$1.50 a share.**

Statements contained herein while not guaranteed by us are based upon information and advice which we believe accurate and reliable.