



FOR IMMEDIATE RELEASE

November 29, 2005

CHAIRMANS REPORT 2005 AGM

Ladies and Gentlemen

Welcome to what must be the 143rd annual general meeting of Coopers Brewery Limited.

We are not exactly sure the date of the first official annual general meeting because in 1862 I think our great, great grandfather in 1862, was more worried about the quality of Adelaide water and hops than he was about annual general meetings.

Let me introduce your directors.

On my right is our Managing Director Dr Tim Cooper, next to him Haydn Duffield, our company secretary, then Bill Cooper, Dr James Cooper, Cameron Pearce and David Kingston.

Also with us today are our Auditors KPMG, led by Gary Savage.

Ladies and Gentlemen, you have received the Company's Annual Report for the 2004/2005 financial year. There are spare copies at the rear of the room.

This morning I will talk about the highlights of the year and discuss our outlook for the 2006 financial year. Then I will open the floor for questions.

Last year I said that Coopers was becoming a real force in Australian brewing. This year that growth has continued strongly. Not only have we increased sales in South Australia and our Premium Beverage Company has delivered extraordinary growth in every other state of Australia.

On any measure 2005 was a strong year.

It reflected Coopers' strength as a leading marketer of premium beer in Australia and the continuing productivity gains from our Regency Park brewery.

Sales were up 18% to \$126.6 million.

Net profit after tax, interest and outside equity was up 52% to a record \$14.432 million. Most importantly for shareholders the full year dividend increased by 108% to a fully franked \$4.05 a share.

Total equity of your company has increased from \$56.858 million to \$68.625 million.

(Review of Operations)

A major driver of our interstate success is Premium Beverages Pty Ltd.

80% owned by Coopers Premium Beverages promotes and distributes our brands through the mainland States outside of South Australia, Northern Territory and overseas. On a volume basis these sales were up by 34.0% on last year while export sales were up by 17.3%.

Malt Extract sales grew 6.6%, while sales of the brewed soft drink Birell were down 2.1%.

During the year we continued to invest to both meet increasing sales and to ensure sales and productivity continue grow in the future.

We increased storage area by 4600 square metres with the completion a new warehouse at Regency Park.

We added two fermenting vessels, and significantly increased the number of kegs to serve the growth in kegged beer and installed a new KHS keg line to double the capacity of cleaning and filling kegs.

A new KHS bottle rinser-filler monobloc was recently commissioned, along with a new beer centrifuge to cope with the faster filling speed of more than 1000 bottles per minute.

BEER –

Last year the Australian beer market, in terms of volume sold, declined by nearly 1 per cent. Against that trend Coopers beer sales/volume increased by 17.8%.

Premium Beverages, increased beer volume by a staggering 34% and is on target to repeat that performance this year.

Coopers have outperformed both the total premium beer market and every one of our major competitors.

There are three basic reasons for this.

1. Our products like Sparkling Ale and Pale Ale are unique. They are genuinely different to every other beer on the market. At a time when the market is moving to natural foods, Coopers' beers have no preservatives and no additives.
2. The Coopers brand is relevant to today's young consumers as their tastes and aspirations move up.
3. And Coopers advertising and marketing breaks through the clutter of beer promotion like no other brand.

Our sales across the states tell the story:

- Off a large base sales in South Australia were up 7.7%
- In Victoria which represents 11% of our business sales were up 33%
- In NSW which makes up 15% of our business sales were up over 34%
- Queensland sales were up 33.3%

- Western Australia sales up 62.5% and in the
- Northern Territory sales were up 42.6%
- Overseas beer exports grew by 17.3% into 20 countries.

As part of our continuing review of our beer lines we cut out Coopers Draught, Light, Heritage and Extra Special Stout. We replaced those with two new products; Coopers lager and a new all malt Premium Light.

HOME BREW

The Australian market for Home Brew declined in 2005 as the market matured and strong economy saw consumers switch to packaged beer. Home Brew volume dropped 7.2%. Coopers maintained our market share while the Morgan's Brewing Company Pty Ltd traded profitably in the Home Brew market and contributed to the Group's result.

However, the decline in home brew can sales was offset by a 61% increase in sales of our home brew accessory range resulting in a total sales increase for the Home Brew Division of 5.3%.

MALT EXTRACT

Malt Extract sales increased 6.6% with new customers including Parmalat, Cadbury Schweppes and Arnotts NSW. A general downturn in retail turnover by all the majors reduced sales growth potential. Export sales were weaker due to increased competition (predominantly from India and UK) driving down pricing and margins. This pressure on prices and the softer Australian market resulted in dollar sales declining 3.7% for the year.

Our Regency Park facility continues to expand. The brewery is one of the country's most efficient particularly when compared to our major competitors. Full credit must go to our Managing Director and our production team on achieving this goal.

LION NATHAN TAKEOVER

Ladies and gentlemen, before I open the floor for discussion I want to take a small amount of time to put the 2005 annual results in context of our 143 history. It was in 1862 that Thomas Cooper began our brewery in the back streets of Norwood.

I want to particularly discuss some recent events and the growth we have seen – which I think in part will address some of the issues that I have seen raised publicly in the past month or so.

In the early 1990s Coopers was in a very difficult financial position with significant debt, our beer business was struggling and we were under close scrutiny by our bankers.

Beer sales were impacted by the recession in the early 1990s and volumes fell to a low of 11 million litres in 1992.

This was roughly the same amount of beer that we were producing in the 1960s.

During this difficult period the only reason Coopers survived was due to the home brew business which remained profitable during this period.

Clearly if Coopers was to survive we needed a substantial turnaround in just about every aspect of our business, particularly our beer products. Tim Cooper and I were invited to join the company at this time.

We immediately began a program to upgrade our facilities so that we could continue to produce great beer but with a greater focus on productivity.

At the same time we had to address the way we marketed and promoted our beer against severe competition from Australian and foreign breweries. We had to introduce a whole new generation of Australians to the Cooper family, and make them aware of our traditions, independence and unique beers.

In 1996 our South Australian market share was only 10%.

By 2001 we had increased it to 15%.

Today Coopers has over 24% of the South Australian market share and an increasing share of the national market.

This recent rise in both market share and financial strength at a time when the beer market was in decline is an extraordinary achievement and the result of a strong team built on a 143 year family tradition.

Our success created a production problem for us.

We outgrew the Leabrook Brewery that had been our home since Thomas first began brewing there in 1881.

Again we decided that we could take this business to a new level of growth, although that was not without some risk.

The move to Regency Park was a \$40 million investment in our future, not some small amount for a family run company.

In the past five years we expanded the new facilities to cater for our growth with a further \$30 million upgrade to just keep up with the demand. We also set-up an Australian distribution network through our partnership with Premium Beverages, and substantially reduced debt to a position where we are virtually debt free.

The success of the Regency Park operation and our market growth throughout Australia and overseas is without doubt unparalleled in the Australian brewing industry.

By any measure the turnaround and the subsequent continuing growth is something all of our shareholders, our staff, the Board and our management should feel proud of.

But I believe our journey has just begun.

The premium beer market remains one of the most exciting and fastest growing markets in Australia, growing at 15% a year.

Coopers has outperformed our competitors in the premium beer segment.

As I mentioned earlier there are a number of reasons for this.

Our products like Sparkling Ale and Pale Ale are unique. They are genuinely different to every other beer on the market. Coopers beers have no preservatives and no additives.

We also have a unique market position. Our campaigns “The difference is you can still meet a Cooper” are absolutely true blue. Our complete independence has made us enormously attractive to the consumer, not only in Australia, but worldwide.

The family connection that we use to promote our products is more than a marketing campaign, it is what I term the Coopers advantage. The reason that we have grown and prospered over our 143 year company history is because we have loyal shareholders who in most cases have chosen to pass their shareholding down to their families.

In the past decade in particular we have had the benefit of patient shareholders who have continued to support the company through difficult times (during which the returns to shareholders have been less than some might have expected.)

It is this family tradition and culture that has allowed this company to survive five generations.

LION NATHAN RIGHTS

Let me spend a moment clarifying the history of our structure and in particular the rights of Lion Nathan.

The origins of pre-emptive rights that Lion Nathan has under Coopers constitution date back to the 1960s.

At that time the brewing companies in Australia were consolidating and Coopers and SA Brewing agreed to take a cross shareholding in each other as a protective measure in the case of a takeover. Later when Coopers wished to sell out of SAB, it approached SAB and cooperated with it in a placement of these shares.

When Lion Nathan acquired the brewing assets of SA brewing in 1993, a dispute arose in relation to the status of the shareholding in Coopers. The dispute was settled in conjunction with the settlement of another dispute in relation to the Adelaide Bottling Company. Ten years ago, Lion Nathan gave up its claim to the shareholding and the Coopers constitution was amended to give Lion Nathan third tier pre-emptive rights and the right to own shares despite being a competitor of Coopers. This

arrangement was subject to removal by vote of the Coopers shareholding if and when there was a change in control of Lion Nathan.

In 1998 Kirin acquired 45% of Lion Nathan.

Coopers recognized that this might constitute a change in control of Lion Nathan and sought a declaration from the SA Supreme Court on the matter.

The SA Supreme court and the Full Court of the Supreme Court on appeal found recently that there had been a change in control in Lion Nathan and that Coopers shareholders now had the right to revoke Lion Nathan's pre-emptive rights.

SHARE TRANSFER AND ALLOCATION POLICY

I want to now turn to our share allocation policy.

I am not able to say much on this as Lion Nathan has funded or instigated both court and Takeovers Panel proceedings on this issue.

But let me say that, historically our approach has been this:

- The company has maintained a list of shareholders who might be interested in acquiring shares.
- The company has called for expressions of interest to be included on this list.
- When shares came up for transfer we contacted shareholders who had expressed interest in acquiring more shares.
- Preference has historically been given to shareholders from the same part of the family. Where buyers could not be identified within the same part of the family the shares were offered more widely.

Where share became available from third parties, these shares have been made available to all shareholders and the company communicated with shareholders in seeking expressions of interest. This occurred in 1995 when the shares owned by SA Brewing were sold, and again in 1999-2000 when IEL sold its stake.

Share transfers have typically taken place at the price of the most recent valuation. The company has undertaken regular valuations, conducted by the company's auditor, as requested. It has been open to a buying or selling shareholder to request a new valuation more frequently although shareholders have been reluctant to cause the company to incur this expense too frequently.

Although this system has worked well in the past it has been subject to considerable scrutiny in the last few months. Coopers has set out in its targets statement the policy that has now been adopted.

OUTLOOK

Let me now turn to the outlook.

Today Coopers is in a very strong position. Our financial position is strong. Our market share is growing.

We are a unique company in our industry – we are Australian, independent and we have products that consumers want to drink – and we can produce them at a very competitive price.

This unique position has become enormously attractive to other manufacturers, which is stating the obvious given the events of the past couple of months.

Our trading results for the current year give us confidence in our 2006 forecasts as laid out in the target statement. While in early days we are sitting slightly ahead of our budget for revenue in the first four months.

As I said earlier, we are virtually debt free, which gives us the capacity to offer buy-back and capital management initiatives to our shareholders.

Ladies and gentleman, let me read to you a comment made by the CEO of Fosters, Trevor O'Hoy, when he was asked about our company about a week ago: "The Cooper brand gets its credentials, its brand equity, from being hand-crafted, family owned and niche...so whoever gets it by the tail has got a big challenge."

I believe we have met the challenges the past decade has thrown at us and because of our investment in our plant and our marketing we are well placed for the future.

We now have the opportunity to take the company to a new level of growth. Our traditions, culture and our unique position gives me great confidence in the future for this company.

ITEMS OF BUSINESS

Turning now to the business of the meeting

I will now ask our Managing Director, Dr Tim Cooper, to move adoption of the Annual Report and Chairman's Report.

Seconded - those in favour.....against.....carried

Ladies and gentleman I will now give over the meeting for discussion relevant to today's Annual General Meeting.

Please confine your questions and comments to the matters that are relevant to the business of the meeting and to be conscious of the fact that a number of their fellow shareholders would like an opportunity to address the meeting.

The matters that are relevant to the meeting will be :

- a) the management of Coopers (in accordance with the Corporations Act)
- b) the conduct of the audit;
- c) the preparation and content of the auditor's report;
- d) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- e) the independence of the auditor in relation to the conduct of the audit (each in accordance with the AGM Notice of Meeting).

Any comments not made directly on the above matters will be subject to a point of order.

QUESTIONS

There being no further questions I will now close the meeting.

In closing, I believe we are all part of not only a financially successful company, but also a company that is respected all over the world for its values, integrity and quality. Building an image only many larger companies can only aspire to or attempt to aggressively acquire. I for one am enormously proud of this Company and believe wholeheartedly in its future prospects under the current Board, Management and Staff.

I now close the AGM, and thank you for your patience and support over the past few years and indeed today. I believe that we have a great future. We are unique – an independent, Australian owned and managed company with a product the world wants.

No doubt you will by now have seen the notice of meeting for the EGM which will be held here next Wednesday. I hope to see you all then.

I now declare the meeting closed.