



COOPERS ANNUAL GENERAL MEETING

November 29, 2007

Edited Chairman's Report

Ladies and Gentlemen,

Welcome to the 2007 Annual General Meeting.

It is my pleasure to deliver the Chairman's report for the 2007 Annual General Meeting.

Last year, I described 2006 as a defining moment in the history of our company as we welcomed the great support of you, our shareholders, in removing the Lion Nathan takeover bid.

I would describe 2007 as a year of continued growth and expansion. Your company continues to deliver sales growth and increased profits, while managing expansion and capital growth.

Review of Operations

- Net profit after tax of \$19.5 million, up from \$12.7 million in 2005-2006.
- Turnover rose by 8.2% from \$130 million to a record \$141 million.

I will now move on to the divisional reports.

Beer

Beer sales showed strong growth of 7.9%, driven by our Premium Beverages partnership company. Premium Beverages' sales rose 23.1%, comprising:

- NSW 20.8% increase
- VIC 24.2% increase
- QLD 27.5% increase
- WA 15.95% increase

This was a great effort by Premium Beverages.

South Australia and the Northern Territory continued to operate against strong competition from the large breweries, who are determined to limit our market position.

We still command a strong position in this State with 21% of the package beer market and 27% of the bulk beer market.

In the NT, sales were up 0.5% under the pressure of intense discounting – greater than anywhere else in Australia. We recently added staff in both SA and the NT to help drive sales. Premium Beverages has also increased sales staff.

Pale Ale continues as our product leader and still holds a strong position.

Our products are constantly under challenge and will continue to be so under a bombardment of new products from our opposition, not only from home grown products, but also from import brands being manufactured in Australia and put into the market at extremely low prices.

The premium beer segment is cluttered with numerous "try-hard" premium beers.

We now also have seen Coca-Cola enter the beer market with its Pacific Beverages Partnership with SAB/Miller, albeit with lesser-known brands. However it has a determined and well-funded campaign.

Exports

As details in the annual report, exports grew by 35% in volume and account for 2.6% of total sales.

Major highlights include the distribution agreement with the Outback Steakhouse Chain, some 775 outlets in the USA.

Coopers also broke into the giant English retail chain Tesco's, which voted our Vintage Ale as the Best Import Beer.

The strong Australian dollar has made all exports very tough this year.

Homebrew and malt extract

While sales have fallen in a declining market, Coopers commands 80% of the Australian market and exports account for 25 % of total production.

The malt extract operation continues to grow with a new contract awarded to supply a major International food company's Australian operations. This contact is worth more than \$1 million a year and lifts production of malt extract at the brewery by about 20%.

Coopers is now one of the largest suppliers of malt extract in the Southern Hemisphere, exporting to 13 countries throughout the world.

Birell, our non-alcoholic brewed soft drink, grew by 7.8% on the previous year.

As Coopers heads into the 2007-2008 year, we are in a strong position, with expectations of further national and international sales along with solid profits.

While aggressive competition exists in all market segments, we feel we are well-positioned with all our divisions contributing to our overall business plan. We are confident we can achieve our goal of continued growth and look forward to an even better year ahead.

Capital Expansion

Work is nearing completion on a \$10.5 million program to support our growth and boost capacity. Out to my left is 7,000 square metres of new, much needed storage space. Two new fermenters were installed in July to lift to 20 the number of tanks in our tank farm. A new KHS

labeller arrived in September and has boosted the speed of the bottling line to 1,200 bottles per minute. This makes our line the fastest single line in Australia.

Conclusion

This year we have undertaken a number of strategic projects and research studies to better communicate with our staff as well as obtain a better understanding of our market and how best to compete in these markets.

We have utilised the services of a number of consultants to assist in this process. We have recently completed an analysis of our company and have come up with a sales and marketing position for Coopers. This will assist in identifying to all staff and our customers what Coopers Brewery and its products stand for.

I quote “**Coopers** – a genuinely different beer experience for people who appreciate discovering beer with character.”

That concludes the Chairman’s report except to pass on to all shareholders from the Directors our thanks for your continued support of this great company.

As well, my personal thanks go to all Directors for their valued input over the year.

Glenn Cooper AM
Chairman
Coopers Brewery