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Coopers Records 23 Years of Continuous Sales Growth

Coopers Brewery has booked its 23rd year of continuous growth with beer sales rising 3.3% during 2015-16 to a record 81.5 million litres.

The result means that for the past 23 years, Coopers has enjoyed compound sales growth of 9.2%, at a time when total Australian beer sales have been contracting.

Releasing the company's annual results, Coopers Managing Director, Dr Tim Cooper, said packaged beer sales during 2015-16 had risen 3.8%, while keg volumes had also recorded a small, but pleasing rise of 0.8%.

Despite the increased beer sales, margins continued to be squeezed by competitive pressures in the market-place and higher malt costs.

Dr Cooper said Coopers' revenue for 2015-16 had increased by 4.6% to \$245.9 million.

However, preparation costs associated with construction of a malting plant at Regency Park, and a \$7.5 million write-down of goodwill for the Mr Beer business in the USA, meant that net profit after tax for the year fell 16.3% to \$24.2 million from \$28.9 million in 2014-15.

Fully franked dividends of \$12.50 a share were paid, up from \$12 the previous year.

Dr Cooper said that at a cost of \$63 million, the new malting plant at Regency Park was the largest single item of capital expenditure in Coopers' history.

"The work is being undertaken by South Australian firm Ahrens and comprises three steeps, four vessels, a kiln and grain silos, connected to the brewery by an overhead gallery," he said.

"Work is progressing well and is on line to be completed by late next year."

The plant will produce at least 54,000 tonnes of malted barley a year, one-third of which would be used by Coopers with the remaining two-thirds available for export.

"The new plant will guarantee our supply of high quality malt for future growth," he said.

"It also marks Coopers' return to the malting business after the sale in 2002 of Adelaide Malting Company to Ausbulk to help fund the move from Leabrook to Regency Park."

Dr Cooper said the write-down of goodwill for Mr Beer was required under Australian accounting standards.

"While the business initially returned good profits, recent competition from other DIY brewing businesses and the loss of some key accounts meant we had to recognise an impairment of goodwill," he said.

“Coopers purchased a majority share of Mr Beer in 2011. Our initial \$11.3 million investment has so far returned \$5.3 million.”

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