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Distinguished guests
Ladies and gentlemen

I'd like to thank the AMERICAN Chamber of Commerce for inviting me to speak today. I was appointed Chief Executive of the Foster's Group in May, a little over a year after I took over at CUB. It's a privilege to lead a great Australian company like Foster's. A company that is both new and old. New – with an operation focused on beer and a stable of iconic brands – including CUB, which is the heart and soul of Foster's. And old – with a history stretching back to the amalgamation of six breweries, Carlton, McCracken's, Castlemaine, the Shamrock, the Victoria and Foster's, in 1907 –and even further back, to the founding of the Cascade Brewery in 1824, when Tasmanian Tigers still roamed the state.

The beer that those brewers produced – using steam-powered ice-making machines and cane sugar instead of malt – created what became known as Australian beer. Beer that's crisp, cool and refreshing. Given that the Foster brothers who established their brewery in Collingwood were New Yorkers, it's appropriate I'm addressing the American Chamber of Commerce. After all, we're a company that's proud of our heritage. That being said, we're also very excited about our future. Next month – at our financial results on August 23 – we'll be detailing what that future looks like and telling you more about our outlook and strategy. That presentation will have something for everyone – a bit like a slab of cold beer.

But what I'm serving up this afternoon is more like a craft beer. What I want to do is put this exciting old and new enterprise in context.

To give you that context – to provide the corporate and cultural frame – I'm going to do three things. I will talk about the new Foster's – a company focused entirely on beer and cider.

I will explain the importance, throughout history, of people getting together to enjoy a quiet beer or two. And I will outline the beliefs that define CUB and why we're relaunching the CUB brand.

Let me start with the new Foster's – behind me you can see the company's new, simple logo.

THE NEW FOSTER'S GROUP

As I said, the future of our company is very exciting. Our portfolio includes seven of the top 10 beers brands in Australia. It covers Australian icons such as VB, Cascade, Crown Lager and Carlton Draught – and international beers such as Asahi, Stella Artois and Corona. It covers craft beers like Matilda Bay's Redback, Fat Yak and Big Helga. And it includes three of the most popular ciders on the market – Strongbow, Mercury and Bulmers Original – as well as the new and wonderfully named Dirty Granny.

The past year has been extremely volatile in the beer market. Arguably, it's the most volatile 12 months we've ever seen. We have been impacted by unusual weather patterns – with a cold summer and then extreme weather conditions hurting sales. We're also facing an economy in which many Australians are doing it tough, so households are saving more and cutting back on discretionary spending. And we have a difficult year-on-year comparison to the period in which many Australian households benefited from the government's stimulus spending. There's a high correlation between what is going on in the domestic economy and what happens in beer sales. That doesn't mean, however, that beer is going flat. Far from it.

We believe that once Australia moves through this period of economic uncertainty, the beer category will return to the long term trend of modest growth. It is still the most popular beverage in the alcohol category – in the drinks market, it represents ‘refreshment’, and, importantly, it remains a low alcohol alternative to wine and spirits. Our international and premium beers are growing in popularity. Carlton Draught is in its tenth year of growth. VB is still Australia’s most popular beer. And, trend wise, craft beers – having thrived as a sub-culture in the inner-suburbs – are taking off and going mainstream.

To take advantage of what we see as a bright future, we’ve done a lot of work in the past year to ensure we’re in great shape to seize the coming opportunities. We’ve taken some tough decisions in the past 12 months:

- We’ve focused on the way we work - simplifying the organisation and bringing in new talent to key roles.
- We’ve become more professional in our dealings with customers, in the process promoting and protecting our brands for their good and ours.
- We’re reducing our costs and reinvesting some of those savings in our brands and innovation.
- And we’re committing to a new culture that is all about execution and reaching our full potential.

All of that work has put us in a stronger position to face the future. We have stabilised market share for the first time in ten years, our customer relationships are demonstrably stronger, and we have increased confidence in our brands, both by our trade partners and by our own team. In the past year we’ve been reminded of the strength of our brands.

Take VB, for example. Its history stretches back to 1854. VB was brewed with one goal in mind: to be enjoyed ice cold. It was the first beer brewed specifically for Australia’s climate. That meant developing the unique Pride of Ringwood hops to deliver a full-flavoured beer even when served cold – perfect for a hard earned thirst.

Carlton Draught, on the other hand, prides itself on being the freshest beer in Australia. “Brewery Fresh” is a commitment from Carlton that kegs are delivered fresh to pubs – how it’s meant to be enjoyed. Over the past ten years, Carlton Draught has gone from a regional favourite to the leading on-tap beer, with double-digit growth.

And Crown Lager is Australia’s historic premium lager. You might not know that it was originally brewed for dignitaries and diplomats, and later released to mark Queen Elizabeth’s first visit to Australia.

Crown is made with fine malt and hops, the additional ingredient in Crown Lager is ... time. It undergoes nearly twice the standard maturation, or “lagering”, which gives Crown its distinctive smooth, creamy finish. And we will continue to focus on:

- excellent execution – doing everything we do better;
- cost leadership;
- reinvesting in our brands, and;
- leading the way on innovation and evolution in our industry.

For beer drinkers and those of us in the industry, there has been no more exciting time for beer. The pace of innovation and extent of consumer choice have never been better. It reminds me of that old saying credited to Ben Franklin:

Beer is proof that God loves us and wants us to be happy.

BEER ... AND THE MEANING OF LIFE

Which leads me to the second thing I wanted to talk to you about today: the beliefs that define CUB, and why we're relaunching CUB as a brand. This renewal of our organisation and culture has led us to some pretty bold conclusions – beliefs, in fact – about beer's rightful place in society.

Now, bear with me, because what I'm going to say might sound strange at first, but it actually makes perfect sense when you think about it. I believe that if a whole lot more people raised a beer in friendship, the world would be a better place. Let me say that again: If a whole lot more people raised a beer in friendship, the world would be a better place. That is the belief that underpins everything we're doing at CUB.

The point I'm making is this: there's more to beer than water, malt, hops and yeast. Much more. Beer is an invention that's older than the pyramids and – as such – it's nearly hard wired into the human experience. Think of the times when Australians enjoy a quiet a beer; the times we get together and drink in moderation and friendship.

- When we spend time with mates after work
- Or visit our parents and watch the footy with our dad
- Or go out to dinner with our partner
- Or toast the bride and groom
- Or have the family over for a barbecue on a Sunday.
- When we share moments over a quiet beer we are taking part in a social ritual that stretches back generations.

Think about it: there is no other occasion that quite matches the bond we create when we share a beer. Most of our parents and grandparents, and their parents and grandparents, lifted their glasses. Just like we do. They caught up for a beer to mark an occasion. Just like we do.

And the reason they caught up for a beer then – just like we do now – is that unguarded moments shared with the people we care about most are what life is all about. Those are the moments we cherish most. Now, I'm not saying beer is the meaning of life.

What I am saying is that sharing a beer is a celebration of life. The simple act of raising the glass, the clink of two glasses, saying "cheers" to someone close. And that now more than ever, we need to find ways to come together and celebrate the foundations of the good life – namely friends, family and community.

NEW CUB BRAND

Now, I said our company is both new and old. We're a twenty-first century enterprise with brands that have roots in the nineteenth century. That combination of innovation and tradition is very powerful – and we want to protect and promote our heritage, without being hostage to it. We want to make our history part of our future.

With that in mind, over the past six months or so we've re-imagined the CUB brand, and I want to reveal that new brand here for the first time publicly. We've taken it out of decades past and brought it into the twenty-first century. A new look that I'm not suggesting removes the challenges

we face, but instead symbolises our confidence in our future. Our new brand says “cheers” to anyone who sees it.

You’ll notice we’ve raised the ‘U’ in CUB. We did this to emphasis the use of the word “United” in CUB’s name. That raised ‘U’ also represents those times when we catch up for a beer and raise our glass in a gesture of friendship. It’s about the times when laughter and real words are shared – when you can really be yourself. In looking at CUB’s brand - and realising the importance to us of that word “United” - we also looked at the division’s name.

CUB used to be Carlton & United Breweries. From today forward, it will be Carlton United Brewers. The old CUB name was about the buildings where the beer was made. The new CUB name is about the people who make the beer. What this name change reflects is our belief in community, in people, in the occasions where beer helps bring people together.

We believe – with a passion – that if more people raised a beer in friendship the world would be a better place. With those sentiments in mind we recently shot a film about Carlton United Brewers and what we mean when we talk about our belief in the good of beer. Let me show you that film. It is really a film primarily for the team at CUB, but I wanted to show it publicly to let you see how we view our business.

CONCLUSION

I love the shot of the father and son getting together. It reminds me of special moments I had with my father, back when I was a few pounds lighter. Let me leave you with these thoughts.

The Foster’s Group is an exciting new enterprise with a bright future as a great Australian success story. We are fortunate to be able to build our business on the foundation of Australia’s strongest beer brand: CUB. Carlton United Brewers offers a fresh start for Foster’s. We have a new brand that is all about people. We are building a new culture that is all about people. And we have an operation that is all about beer. Made from beer.

I want us to stay focused on being not just a great beer company, but the best beer company, and the beer company loved by Australians. If we can do that, then I’m sure more people will raise a beer in friendship and the world will, I am confident, be a better place.