

Introduction

History

Ten Principles

Employment

# History

Early Years | Forging Ahead | Coast to Coast | Firsts | New Era

### Good Thing Brewing for More than 165 years.

Labatt has deep roots in Canada stemming from its founder John Kinder. In 1847, a little more than a decade after arriving in London, Ont. from Ireland, John Kinder revealed in a letter what was to be his life-long calling: "I have been considering this brewing affair for some time," he wrote to his wife, "and think it would suit me better than anything else..."

That same year, he purchased London's Simcoe Street brewery in partnership with Samuel Eccles and by 1855 had become the brewery's sole proprietor. The brewery was later renamed John Labatt's Brewery, marking the beginning of one of Canada's largest and most successful companies.

Along with a passion to brew beer, John Kinder also knew a thing or two about business. He realized the Great Western Railway, completed in the late 1850s, was the company's ticket to expansion outside London. No longer limiting beer sales to London and its surrounding areas, the railway opened new markets for Labatt in Toronto, Montréal and the Maritimes and formed the foundation for future aggressive expansion.



1828 The first Labatt Brewhouse built in 1828





1878 Labatt's India Pale Ale wins a gold medal at the International Exposition in Paris, France.

### A Family Affair

By this time, brewing beer had become a Labatt family tradition, with John Labatt Jr. becoming involved at an early age. After an apprenticeship at a Wheeling, West Virginia brewery, John Jr. returned to Canada and, when his father died in 1866, he took over the family business.

A commitment to quality and innovation was not lost on John Jr., whose recipe for India Pale Ale (I.P.A.) won the 1876 silver medal at the Dominion of Canada Exposition in Ottawa. For the next 35 years, I.P.A. claimed prizes at competitions worldwide and was the first of many Labatt beers to gain international recognition.

By 1878, Labatt had appointed an agency in Montréal to distribute its products. In 1899, steps were taken to meet an increasing demand for Labatt products in the Toronto area, where subsequently a sales office and small warehouse were opened.



Introduction

History

Ten Principles

Employment

### History

Early Years | Forging Ahead | Coast to Coast | Firsts | New Era

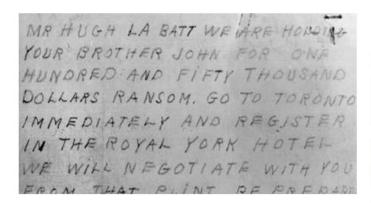
### The Early 20th Century-Overcoming the Challenge of Prohibition

By the early 20th century, Labatt was a corporation. Shares in the business were distributed among John Labatt's seven daughters and two sons. At this time, in both the U.S. and Canada, a growing challenge for Labatt and other alcohol producers was the threat of prohibition - laws forbidding the manufacture and sale of alcohol.

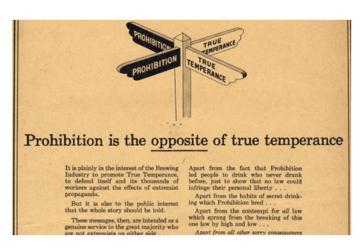
Prohibition in Canada began in 1915, when public bars were banned in Saskatchewan. A year later, prohibition was instituted in Ontario, affecting all 64 breweries in the province. While some provinces totally banned the manufacture of alcohol, distribution and sales, many allowed for the production of beer for export to the U.S.

Labatt survived by producing full-strength beer for export south of the border and by introducing two "temperance ales," (brews with less than two per cent alcohol) for sale in Ontario.

When Prohibition was repealed in Ontario in 1927, just 15 breweries remained and only Labatt retained its original management. This resulted in a strengthened industry position.



1934 Ransom letter sent to Hugh Labatt by Canadian gangster, Three-fingered Abe, demanding a sizable ransom payout



1937 An advertisement inserted into Ontario newspapers by the brewing industry in the interest of a better public understanding of certain aspects of the problems of temperance and popular opinion.

### John S. Labatt is Kidnapped

The 1934 kidnapping of John S. Labatt also had a hand in shaping the company's future. Nabbed by gangsters in Lambton County, Labatt was held for three days and then released unharmed at Toronto's Royal York Hotel. The experience made John somewhat of a recluse.

As a result, Hugh MacKenzie emerged as an important figure in the company's history first as controller, then as sales manager and later, general manager. MacKenzie was a savvy businessman, leading Labatt out of the Depression, through the Second World War and into a period of rapid expansion.

With the issuance of 900,000 shares in 1945, Labatt became a publicly traded company, creating new opportunities for raising capital. Labatt's 1946 purchase of the Copland Brewery in Toronto, its first outside London, spawned the beginning of a brewing empire and marked the company's first step toward becoming a national brewer.



Introduction

History

Our Company News Responsible Drinking In The Community Our Brands Labatt Quality Talk to Us

History

Early Years | Forging Ahead | Coast to Coast | Firsts | New Era

Ten Principles

Employment

### The 1950s - The birth of Canada's best-selling beers

The 1950s were epitomized by rock-and-roll, crew cuts and bobby socks. There were six National Hockey League (NHL) teams, the Beatles had yet to twist or shout and television's influence was just beginning.

It also marked the birth of two classic Canadian beers. In March 1950, Labatt introduced its Fiftieth Anniversary Ale commemorating a half-century of business under the leadership of John S. and Hugh Labatt. This first "light" ale, affectionately called "Annie" and later "50," quickly gained a dedicated following and eventually became Canada's best-selling brand.

A year later, Labatt launched its Pilsener Lager, setting the trend for lager beers in Canada. When it was introduced in Manitoba, the beer was nicknamed "Blue" for the colour of its label and the company's support of Winnipeg's Canadian Football League (CFL) franchise, the Blue Bombers. The nickname stuck and in 1979, Blue claimed the top spot in the Canadian beer market, a position it has held ever since.





1950 Print advertisements for Labatt Pilsener and Labatt 50

#### Expansion in Québec and Beyond

In 1952, with the intention of building a major brewing facility near Montréal, Labatt acquired a 29-acre site in Ville LaSalle. Construction of La Brasserie Labatt Limitée began in 1954. During the next decade, Labatt embarked on a period of rapid expansion with the ultimate goal of becoming Canada's national brewer. Significant moves included:

- · purchasing Lucky Lager Breweries in British Columbia and equity interest in the Lucky Lager Brewing Company in San Francisco (1958)
- · purchasing land for a new brewery in Etobicoke, northwest of Toronto (1961)
- announcing plans for a new Edmonton brewery (1962)
- · acquiring Bavarian Brewing Limited of St. John's, Newfoundland (1962)
- . in 1971, Labatt purchased Oland & Sons Limited including its Halifax and Saint John's breweries. Three years later, Labatt made another addition with the purchase of the Columbia Brewery of Creston, B. C.



Introduction

History

Ten Principles

Employment

## History

Early Years | Forging Ahead | Coast to Coast | Firsts | New Era

#### **Breaking New Ground**

At Labatt, the intention is to brew quality beers that people enjoy. This explains why Labatt offers more choices than other Canadian-based brewers — more than 60 brands at last count — and why all Labatt brands are naturally aged. It also helps explain why Labatt has tackled the challenges of the beer-making business head-on and, in the process, led by example. Labatt's commitment to innovation has resulted in many industry "firsts":

- The introduction of Canada's first light beer (Labatt Special Lite, 1977)
- The first Canadian brewery to form an international licensing agreement with a major
  U.S. brewery and, as a result, the first to brew a U.S. brand under license (Anheuser-Busch/Budweiser, 1980)
- The first brewer in Canada to introduce a super-premium domestic brand (John Labatt Classic, 1981)
- . The introduction of the first twist-off cap on a refillable bottle (1984)
- . The national introduction of a dry beer (Labatt Dry, 1989)
- The introduction of the first Canadian non-alcohol beer (Labatt ".5" 1990)
- The first brewer in Canada to introduce a national "packaged" draft beer (Labatt Genuine Draft, 1992)
- The creation of a whole new brewing technology, the Ice Brewing<sup>™</sup> process, and introduction of the internationally successful Labatt Ice (1993)
- The launch of Canada's first national value priced beer (Wildcat, 1993)



- The launch of the first and only resealable and refillable beer dispensing system (Labatt 36er, 1994)
- The introduction of a contemporary wheat beer, the first by a national brewer in Canada (John Labatt Classic Wheat, 1994)
- The launch of a uniquely flavourful and refreshing dark beer, supported by the most comprehensive consumer research initiative ever undertaken in the brewing industry (Labatt Copper/Copper Vote '95, 1995)
- . The first beer to combine higher alcohol and lower calories (Labatt Select, 1996)
- . The introduction of the first malt-based lemonade (Boomerang, 1998)
- The first Canadian brewer to offer consumers a chance to order a 24-bottle case of beer with personalized photos on the labels (Labatt Blue/Blue Light, 2002)
- Canada's first modern, painted design on a beer bottle using washable ink and a unique light technology (Labatt 50, 2002)
- Canada's first insulated beer can, designed to keep beer colder longer. This industryleading innovation received the Dupont Packaging Diamond Award (Labatt Blue "Cold One", 2005)



Introduction

History

Ten Principles

Employment

## History

Early Years | Forging Ahead | Coast to Coast | Firsts | New Era

### Labatt becomes part of a leading global brewer

In 1995, Labatt was acquired by Interbrew, the Belgium-based global brewing company with origins dating back to Belgium's Den Hoorn brewery in 1366. In 2004, Interbrew, the world's third largest brewer combined with Brazilian-based AmBev, the world's fifth largest brewer, to create InBev.

In November, 2008, InBev acquired the U.S. based Anheuser-Busch, one of the world's iconic brewing companies. The merged company, Anheuser-Busch InBev, is the global leader in beer and one of the world's top five consumer products companies. St. Louis, MO is headquarters for both the company's North American operations and for Anheuser-Busch. Leuven, Belgium remains world headquarters.

Anheuser-Busch InBev is the dominant force in global brewing. It had (pro-forma) revenues of US \$ 38.55 billion in 2007 and produced more than 421 million hectoliters of beer annually. Geographically diversified with a balanced exposure to developed and developing markets, Anheuser-Busch InBev has 120,000 employees in more than 30 countries around the globe and operates 153 breweries.

A true consumer-centric, sales-driven company, Anheuser-Busch InBev manages a portfolio of over 200 brands that includes global flagship brands Budweiser, Stella Artois and Beck's. It brews four of the world's top 10 selling beers and has earned the number one or number two market positions in over 20 countries - more than any other brewer.



2008 Anheuser-Busch InBev is the leading global brewer and one of the world's top five consumer products companies