



Foster's Group 2010 Full Year Results
24 August 2010



OUTLOOK STATEMENT
DISCLAIMER

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Actual future events may vary from these forecasts and you are cautioned not to place undue reliance on any forward looking statement.



Ian Johnston Chief Executive Officer



2010 FULL YEAR RESULT SUMMARY

	Reported		Constant Currency
Net sales revenue	- 4.6%	Net sales revenue	+0.8%
EBITS	- 4.8%	EBITS	+5.4%
Net profit	- 4.1%	Net profit	+4.8%
Earnings per share	- 4.2%	Earnings per share	+4.8%
Cash flow after dividends	+21.5%		

All figures are before SGARA and Material Items

Major transformation initiatives substantially complete



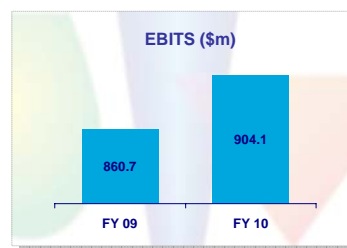
- New organisational structure in place
 - New leadership team
 - Portfolio premiumisation in progress
 - Expanded sales and marketing capability
 - Enhanced route to market capabilities
- Vineyard divestments substantially complete
 - Implementation of the cost reduction program complete
 - IT transformation on track



Building capability and realising efficiency benefits

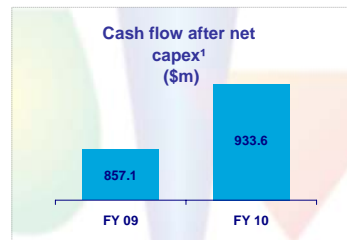
Performance highlights

- EBITs up 5.0% to \$904.1 million
- Robust cash generation, cash flow after net capex up 8.9% to \$933.6 million
- More challenging beer market conditions in the 2H
- Stable off-premise market share between 50% and 51%²
- Net sales revenue per case up just over 5%



Brand highlights²

- VB and Carlton Draught - firm leaders of the traditional regular category with a stable 65%+ market share
- VB and Carlton – leading beer master brands in Australia
- Crown and Corona – leaders in premium category
- Fat Yak and Big Helga – largest contributor to craft category growth and largest new craft brand



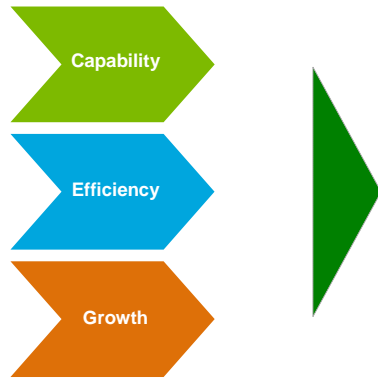
¹ Operating cash flow pre interest and tax, less net capex
² Nielsen packaged June 2010



CUB - PERFORMANCE IMPROVEMENT PROGRAM

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Transformation Agenda



“Beer at the heart of everything we do”

Sales & Marketing

- Rigorous processes for sales & marketing planning
- Increase focus on in-store execution
- Customer marketing and merchandising teams
- Improve returns from promotional investment

Brands

- Invest in brand strength and momentum
- Increasing brand investment
- Improve brand management discipline

Capital Investment

- Flexibility, new product development capability, efficiency and reduced waste
- FY11 capex between \$70 and \$80 million



INVESTING IN HEARTLAND

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Overall portfolio weighted to traditional mainstream

Traditional Regular



- Largest category & the core generator of industry profit
- Carlton Draught - fastest growing beer brand¹²

Premium International



- Fast growing category
- Corona - the segment leader²

Premium Domestic



- Fast growing category
- Crown – Australia’s leading premium beer²

Cider



- Strongbow – category leader²
- Bulmers Pear launch in July 2010

¹ Increase in A\$ value

² Nielsen packaged June 2010



INCREASE FOCUS IN GROWTH CATEGORIES

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Innovation in New Style¹ and Craft categories has contributed to...



Highlights

- Carlton Dry - fastest growing new style brand representing nearly 40% of category growth²
- Pure Blonde – #2 in new style category²
- Fat Yak – largest contributor to craft category growth²
- Big Helga – largest new craft brand²
- Carlton Natural - launched in July 2010

- 4 percentage point increase in portfolio weighting over two years
- Accelerate growth in new style and craft categories

¹ Easy drinking style or low carbohydrate beers at a sub-premium retail price points
² Nielsen packaged June 2010



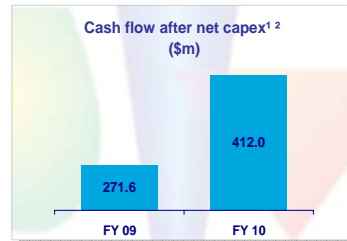
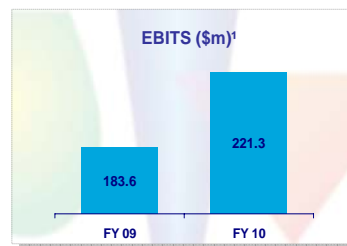
TREASURY WINE ESTATES

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Portfolio and capability initiatives gaining traction

Performance highlights

- EBITs¹ up 20.5% to \$221.3 million
- Strong cash generation, cash flow after net capex up 51.7% to \$412.0 million
- Improving trends in the 2H with EBITs up 136%:
 - Some signs of recovery in consumer spending
 - Efficiency benefits
 - Enhanced sales and marketing capability
 - Enhanced route to market capability
 - Lack of one-time items
- Performance impacted by:
 - Currency
 - Subdued consumer environment
 - Oversupply in Australia and New Zealand




¹ Constant currency basis

² Operating cash flow pre interest and tax, less net capex









Significant development in organisational transformation

Sales Restructure		Distributor Realignment	
<ul style="list-style-type: none"> New sales structure in the US: <ul style="list-style-type: none"> New luxury wine sales team A dedicated key account team Distributor management - restructured from 5 geographic regions to 4 teams aligned to distributors Canada - performance benefiting from increased investment in sales and marketing 		 <p>15 states 50% of depletions covered 15% of depletions moved</p> <ul style="list-style-type: none"> Performance management <ul style="list-style-type: none"> Long term performance-based contracts Shared ambition Volume and value focus 	
Aligned Vision			
Foundation Brands	Luxury Portfolio	Innovation & Emerging Brands	Improved Capabilities



Increased innovation activity

Beringer – New Compelling Platform	Emerging brand and innovation
<p>Streamlined Architecture Light & Refreshing Collection, Founders' Estate & Luxury</p> <p>Major Partnerships</p>   <p>Distinctive Packaging</p> 	<p>Focus above \$8</p>    <p>SLEDGEHAMMER</p>  



Benefits emerging from dedicated wine sales team

**Full Year
Highlights**

- Strong performance in Australia with bottled table wine growth in line with the category in the 2H¹:
 - Increased focus from the dedicated wine sales team
 - Market share gains in bottled table wine above \$11¹
- Top 10 brand volume in Australia up almost 4%:
 - Solid gains by Penfolds, Yellowglen and Wolf Blass
 - Double digit growth in Wynns and Pepperjack
- Oversupply continues to drive competition at lower price points
- New Zealand continues to be impacted by challenging consumer environment, oversupply and unfavourable exchange rate



¹ Nielsen June 2010



Strong result in Continental Europe and Nordics

**Continental Europe
& Nordics**

- Now more than 45% of EMEA volume and 55% of NSR
- Transition to direct distribution in the Nordics
 - Category leading growth in Sweden and Norway¹
 - Margin expansion
- In-market sales and marketing team driving new listings:
 - Beringer in Denmark
 - Wolf Blass in Germany
 - South African wines in the Netherlands

UK & Ireland

- Subdued consumer environment and unfavourable exchange rate movements
- More selective participation in promotional programs
- Focus on premiumisation and more profitable channels

¹ MAT June Sweden Systembolaget, and Norway Vinmonopolet



BERINGER



Increasing distribution in Asia

Full Year
Highlights

- Good volume growth in China, Taiwan, Malaysia and Singapore, the rest of the region impacted by weak consumer environment
- Investing in Asia:
 - Relocation of the leadership team
 - Expanding sales and marketing capability
 - Three new distribution partners in China and an additional distributor in Taiwan
 - Targeted brand and innovation activity in each market



Angus McKay
Chief Financial Officer



KEY FINANCIALS

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	FY 10 \$m	Reported Currency Change %	Constant Currency Change %
Volume (million 9L cases)	149.4	-2.4	-2.4
Net sales revenue	4,285.6	-4.6	+0.8
EBITS	1,108.7	-4.8	+5.4
Net interest expense	(118.8)	-19.0	-1.1
Tax expense	(277.6)	+1.9	+11.4
Net profit after tax	711.3	-4.1	+4.8
Earnings per share	36.9 ¢	-4.2	+4.8
Weighted average number of shares	1,930.1 m	+0.3	+0.3

All figures are before SGARA and Material Items



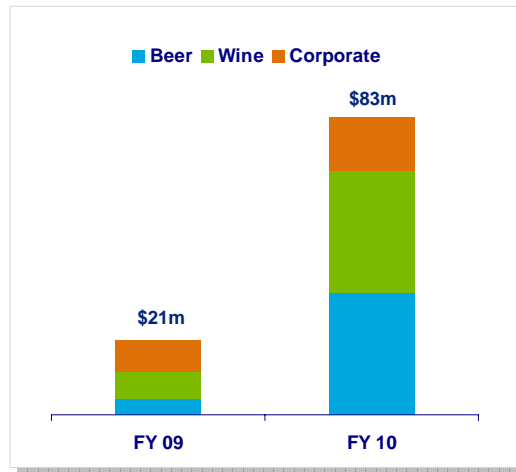
MATERIAL ITEMS

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	ANZ Wine \$m	Americas Wine \$m	EMEA Wine \$m	Total \$m
Goodwill	(759.9)			(759.9)
Brand names	(53.3)	(45.1)	(207.3)	(305.7)
Property, Plant & Equipment	(152.9)	(25.0)		(177.9)
Agriculture assets	(43.7)	(4.4)		(48.1)
Total wine asset impairment	(1,009.8)	(74.5)	(207.3)	(1,291.6)
Demerger costs				(1.4)
Adjustment to prior year provisions				21.9
Material items pre tax				(1,271.1)
Tax benefit				108.4
Material items post tax				(1,162.7)



Cost savings on-track for \$100m to be realised in FY 11

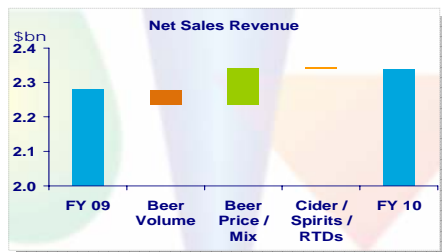


- Implementation complete
- \$83 million of benefits realised in fiscal 2010
- On-track to deliver \$100 million of benefits in fiscal 2011
- Additional benefits in and beyond fiscal 2011 with some reinvested to drive volume growth



Delivering EBITs growth

	Reported	Constant
Volume	-2.0%	-2.0%
NSR	+2.5%	+2.9%
EBITS	+5.0%	+3.8%



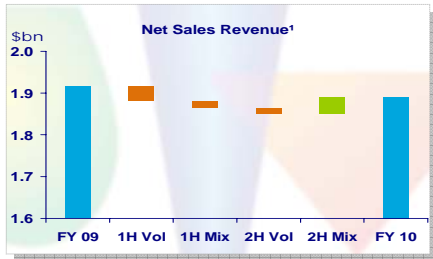
- Australia beer volume down 2.1%, NSR up 3.2%
- Australia beer NSR per case up 5.4%:
 - More moderate price and mix trends in 2H
 - Adjustment of international premium pricing
- Cider net sales revenue up 15.3%
- EBITs up 5.0%:
 - \$34 million benefit from cost reduction
 - Mix adjusted unit cost of sales in line with prior year
 - Advertising and promotion investment up 15.1%
- Modest increase expected in fiscal 2011 mix adjusted unit cost of sales



Strong constant currency EBITs growth on lower volume

	Reported	Constant
Volume	-2.5%	-2.5%
NSR	-11.9%	-1.3%
EBITS	-27.2%	+20.5%

- Focus on value but with lower volume:
 - Australian tail brands and cask exit
 - Reduced UK promotional participation
 - US promotion spend management
 - Growth in Continental Europe, Canada and in the US above US\$8 per bottle in 2H
- Constant currency NSR per case up 1.2% and up 4.7% in 2H:
 - Positive product and market mix
 - Some selective price increases
 - Competitive pricing in Australia and the US
- Constant currency EBITs benefited:
 - Positive product and market mix
 - \$34 million of efficiency benefits
 - Lower Australian sourced wine cost of sales
 - \$17.7 million of one of costs in 2009



¹ Constant currency basis



Grape prices down in Australia despite reduction in bearing area

Wine Cost of Sales

- Australian sourced mix adjusted unit cost of sales:
 - FY10 down 3%, lower grape prices and production efficiencies
 - FY11 costs expected marginally below FY10
- Californian sourced mix adjusted unit cost of sales
 - FY10 up 3%, higher grape costs and production efficiencies
 - Further increase anticipated in FY10

Vintage Update

- 2010 Australian vintage** estimated to be 12% below the prior year¹, key contributors:
 - Reduction in bearing area
 - Increase in unharvested fruit
- 2010 Californian vintage** in its early stages with current expectations for lower yields than the 2009 vintage

¹ Winemakers' Federation of Australia



CURRENCY SENSITIVITIES

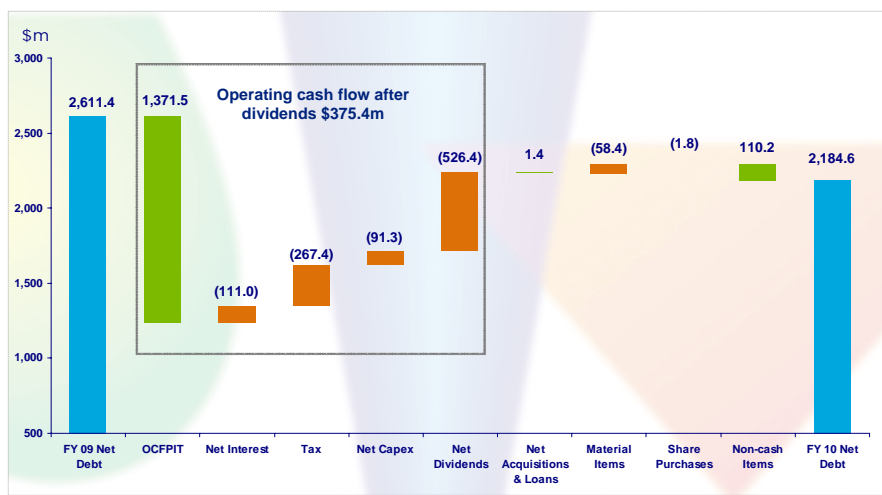
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	Selected Currency			Wine EBITs \$m	Group Profit Before Tax \$m
Impact of FX on FY 10	Average	FY 09	FY 10		
	AUD/USD	75.04	88.14	(61.0)	(25.4)
	AUD/GBP	46.23	55.79	(57.3)	(56.5)
	Other			(4.4)	(3.3)
	Total			(122.7)	(85.2)
FY 11 Indicative Sensitivities		FY 10	Sensitivity		
	AUD/USD	88.14	1¢ change	4.5	1.9
	AUD/GBP	55.79	1p change	5.0	4.9



CASH FLOW AND NET DEBT

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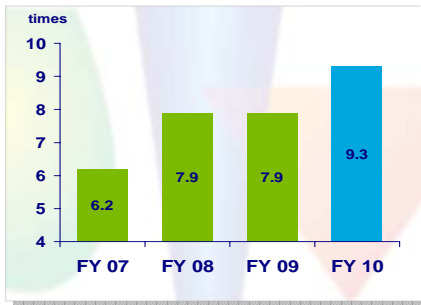
CAPITAL STRUCTURE AND DEBT PROFILE

25

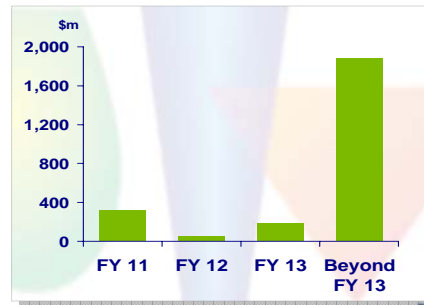
A strong balance sheet and significant liquidity maintained

- Interest cover¹ 9.3x, gearing² 80.5%
- Debt portfolio 52% fixed, 48% floating rates
- Gross debt weighted average maturity 7.1 years
- \$321.9 million debt repayable within 12 months
- \$236.7 million of cash
- \$1.4 billion of committed undrawn bank facilities

Interest Cover¹



Debt Maturity



¹ EBITs pre material items to interest expense

² Debt to equity



UPDATE ON TAX DISPUTE

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Not recognised

- Tax effect of losses not brought to account \$447.5 million
- Contingent liability related to tax dispute \$545.7 million

Balance Sheet

- Amount paid to the Australian Commissioner of Taxation \$254.4 million – recorded as a receivable



Ian Johnston Chief Executive Officer



DEMERGER UPDATE

Proposed Demerger Update

- Substantial work being progressed
- Tax rulings and other regulatory and statutory approval process to commence shortly
- Optimal structure to be determined over the coming months
- Current expectation that Treasury Wine Estates demerged from Foster's Group
- Update on board and management structure by 31 December 2010
- Implementation in the 1H of calendar 2011

Supplementary Information



RESULT SUMMARY

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	1H 09	2H 09	FY 09	1H 10	2H 10	FY 10
Volume ¹	81.9	71.1	153.0	80.1	69.3	149.4
NSR (\$m)	2,407.6	2,083.5	4,491.1	2,302.2	1,983.4	4,285.6
EBITDAS (\$m)	748.4	596.8	1,345.2	647.2	619.7	1,266.9
EBITAS (\$m)	664.7	502.4	1,167.1	570.5	539.5	1,110.0
EBITS (\$m)	663.2	501.8	1,165.0	570.1	538.6	1,108.7
EBIT (\$m)	663.5	479.6	1,143.1	560.0	530.7	1,090.7
Net Profit (\$m) <i>(before material items and SGARA)</i>	411.1	330.4	741.5	363.0	348.3	711.3

¹ 9L cases millions



EPS RECONCILIATION

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	FY 09		FY 10	
	\$m	EPS ¢s	\$m	EPS ¢s
Net profit after tax (before material items and SGARA)	741.5	38.5	711.3	36.9
Material Items after tax Profit / (Loss)	(287.2)		(1,162.7)	
SGARA after tax	(16.0)		(13.0)	
Net profit / (loss) after tax	438.3	22.8	(464.4)	(24.1)
Diluted Weighted Average Shares (m)	1,925.2		1,930.1	



CASH FLOW CONTINUING BUSINESS

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	FY 09	FY 10	Change
OCFPIT before Material Items (\$m)	1,370.7	1,371.5	
Less: Material Items (\$m)	72.0	58.4	
Reported OCFPIT (\$m) ¹	1,298.7	1,313.1	
EBITDAS (\$m)	1,345.2	1,266.9	(5.8)%
OCFPIT (\$m)	1,370.7	1,371.5	0.1%
Cash Conversion (%)	101.9	108.3	6.4 pts

¹ Statutory Operating Cash Flow pre Interest, Tax & Dividends



CONTINUING BUSINESS FREE CASH FLOW PRE MATERIAL ITEMS

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	FY 09 \$m	FY 10 \$m
EBITDAS	1,345.2	1,266.9
Working Capital	76.4	128.0
Other Items	(50.9)	(23.4)
Continuing OCFPIT before Material Items	1,370.7	1,371.5
Dividends Received	1.2	-
Net Interest Paid	(155.0)	(111.0)
Tax Paid	(250.9)	(267.4)
Continuing Net Operating Cash Flows before Material Items	966.0	993.1
Net Capex	(180.9)	(91.3)
Dividends Paid	(476.2)	(526.4)
Free Cash Flow after Dividends	308.9	375.4



GLOBAL BCS

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	1H 09	2H 09	FY 09	1H 10	2H 10	FY 10
Total Volume ¹	62.0	54.5	116.5	60.9	52.9	113.8
Total NSR (\$m)	1,243.7	1,102.6	2,346.3	1,295.0	1,100.4	2,395.4
Total EBITDAS (\$m)	497.3	456.0	953.3	519.5	456.6	976.1
Total EBITAS (\$m)	468.1	417.5	885.6	493.7	428.7	922.4
Total EBITs (\$m)	468.0	417.3	885.3	493.6	428.5	922.1
Total EBIT (\$m)	468.0	417.3	885.3	493.6	428.5	922.1
OCFPIT	431.3	492.7	924.0	464.5	524.2	988.7
Net Capex (\$m)	20.2	37.1	57.3	15.6	19.3	34.9
Capital Employed			1,571.6			1,546.8

¹ GL cases millions



GLOBAL BCS

35

	1H 09	2H 09	FY 09	1H 10	2H 10	FY 10
CUB Volume ¹	58.0	50.8	108.8	57.4	49.2	106.6
CUB NSR (\$m)	1,207.2	1,072.0	2,279.2	1,264.0	1,073.1	2,337.1
CUB EBITs (\$m)	456.2	404.5	860.7	486.4	417.7	904.1
Other Volume ¹	4.0	3.7	7.7	3.5	3.7	7.2
Other NSR (\$m)	36.5	30.6	67.1	31.0	27.3	58.3
Other EBITs (\$m)	11.8	12.8	24.6	7.2	10.8	18.0

¹ 9L cases millions



GLOBAL WINE

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	1H 09	2H 09	FY 09	1H 10	2H 10	FY 10
Total Volume ¹	19.8	16.7	36.5	19.2	16.4	35.6
Total NSR (\$m)	1,163.9	980.7	2,144.8	1,007.2	883.0	1,890.2
Total EBITDAS (\$m)	264.1	145.2	409.3	146.0	170.3	316.3
Total EBITAS (\$m)	213.0	92.9	305.9	99.2	122.1	221.3
Total EBITs (\$m)	211.6	92.5	304.1	99.2	122.1	221.3
Total EBIT (\$m)	211.9	70.3	282.2	89.1	114.2	203.3
OCFPIT	300.9	196.9	497.8	262.1	160.9	423.0
Net Capex (\$m)	25.4	68.8	94.2	(11.2)	22.2	11.0
Capital Employed			4,720.1			3,130.3

¹ 9L cases millions



GLOBAL WINE

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	1H 09	2H 09	FY 09	1H 10	2H 10	FY 10
Americas Volume ¹	9.5	8.4	17.9	9.4	8.5	17.9
Americas NSR (\$m)	583.9	509.3	1093.2	488.6	444.4	933.0
Americas EBITs (\$m)	115.2	44.1	159.3	43.8	63.6	107.4
ANZ Volume ¹	5.2	3.7	8.9	4.5	3.4	7.9
ANZ NSR (\$m)	326.7	272.1	598.8	304.0	250.5	554.5
ANZ EBITs (\$m)	37.4	34.2	71.6	37.0	38.8	75.8
EMEA Volume ¹	4.7	4.1	8.8	4.9	4.0	8.9
EMEA NSR (\$m)	226.2	155.4	381.6	189.5	146.9	336.4
EMEA EBITs (\$m)	50.4	(5.0)	45.4	12.0	3.0	15.0
Asia Volume ¹	0.4	0.5	0.9	0.4	0.5	0.9
Asia NSR (\$m)	27.1	44.1	71.2	25.1	41.2	66.3
Asia EBITs (\$m)	8.6	19.2	27.8	6.4	16.7	23.1

¹ 9L cases millions



DEBT SUMMARY

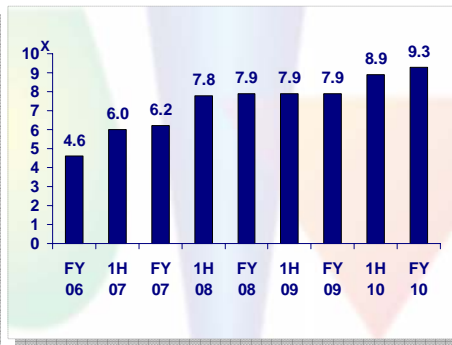
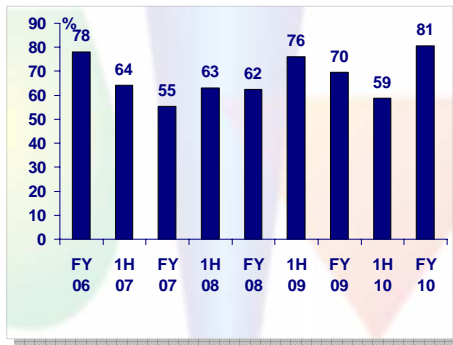
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		FY 09 \$m	FY 10 \$m
Gross Debt	Gross Borrowings	2,764.6	2,448.8
	Debt Issuance Costs	(19.7)	(24.4)
	Fair Value Adjustment to Fixed Debt	128.6	140.1
	Borrowings per Balance Sheet	2,873.5	2,564.5
Net Debt	Cash	(133.0)	(236.7)
	Fair Value of Fixed Rate Debt Hedges	(129.1)	(143.2)
	Net Debt	2,611.4	2,184.6
Debt Portfolio	AUD (A\$)	305.0	50.0
	USD (US\$)	1,934.8	1,965.6
	GBP (GBP)	35.0	42.5
	Other (A\$)	-	4.5
	% Fixed – Gross Borrowings	60 %	52 %
	Weighted average maturity of gross debt	7.4 Yrs	7.1 Yrs



Gearing

Group Interest Cover¹



¹ EBITs Interest cover, before material items



BCS

Beer, Cider, Spirits / Ready To Drink (RTD) category.

CUB

Carlton & United Breweries.

Constant Currency

Throughout this presentation constant currency assumes current and prior period earnings of self-sustaining foreign operations are translated and cross border transactions are transacted at current year exchange rates.

EBIT

Earnings before interest, tax and significant items.

EBITS

Earnings before interest, tax, significant items and SGARA.

EBITDAS

Earnings before interest, tax, depreciation, amortisation, significant items & SGARA.

Exchange rate

Average exchange rates used for profit and loss purposes in the 12 months ended 30 June 2010 are: \$A1 = \$US 0.8814 (2009: \$A1 = \$US 0.7504), \$A1 = GBP 0.5579 (2009: \$A1 = GBP 0.4623). Period end exchange rates used for balance sheet items are: \$A1 = \$US 0.8500 (2009: \$A1 = \$US 0.8102), \$A1 = GBP 0.5646 (2009: \$A1 = GBP 0.4890).

NSR

Net sales revenue.

OCFPIT

Operating cash flow before cash receipts and payments associated with significant items and other one-off transactions and prior to interest and tax.

SGARA

Australian accounting standard AASB141 "Agriculture".



