FOSTER'S GROUP

2009 INTERIM RESULTS BRIEFING

17 February 2009

CHIEF EXECUTIVE OFFICER and CHIEF FINANCIAL OFFICER ADDRESSES

Slide 1 – 2009 Interim Results Presentation

Good morning everyone. Welcome to Foster's interim 2009 results. My name is Chris Knorr and I am the Director of Investor Relations and Corporate Communications at Foster's.

The presentations this morning will cover both Foster's first half trading results and the outcomes of Foster's wine review.

Copies of this morning's presentations are available at the Foster's website www.fostersgroup.com

This morning's session is being webcast and we also have a number of participants joining us via teleconference. The session is being recorded and the transcript and replay will be available shortly from the Foster's website.

Slide 2 – Outlook Statement Disclaimer

Before starting the presentation, I'd like to draw your attention to the outlook disclaimer statement on slide 2, and caution you against placing undue reliance on forward-looking statements contained within this presentation.

Slide 3 – 1H 09 Results Agenda

We'll start this mornings briefing with an overview of first half trading and results from Foster's Chief Executive Officer Ian Johnston and Chief Financial Officer Angus McKay, followed by a brief opportunity for related questions.

At the conclusion of the first half results Q&A, we'll take a few minutes break at which time Foster's Chairman David Crawford will join Ian Johnston for an overview of the wine review outcomes, again followed by an opportunity for Q&A. We expect this session will commence at approximately 11am, and will conclude before 12:30pm.

Following the investor and analyst Q&A session, we'll break again for a few minutes before commencing the media Q&A.

With that, I'll hand over to Foster's CEO, Ian Johnston.

Slide 4 – Ian Johnston, CEO

Thanks Chris and good morning.

I'll take it as read that most of you have had an opportunity to look over this morning's releases.

In combination, I believe they demonstrate three clear themes.

First, that in the face of some fairly unique global trading conditions, we have delivered a solid profit, our balance sheet is strong, our medium term funding secure and we continue to generate outstanding cash flows. Our business is well positioned for the current economic times.

Second, that as a result of the changes we are making, we are building a more accountable, adaptable, and aggressive culture. We have, and will continue to take, tough decisions and we are winning back lost share and driving improving sales growth trends.

And third, we have taken a rigorous and exhaustive look at our wine business. We are announcing some big changes today, but most importantly, sketching out a clear strategic agenda for this great business.

Slide 5 – 2009 Interim Results Summary

I'll begin with a look at the financials.

On a Group basis, we achieved net profit growth of 4.5% for the half.

Net sales revenue was up over 2%. We've got some way to go on this, but I am heartened by the top line trends so far.

Earnings per share rose 6.5%, a very credible result.

Cashflows, a defining aspect of how we run our business, was again very strong at just under $700 million pre interest and tax.

On the back of strong cashflows, Directors have declared an interim dividend of 12 cents per share.

All up, I characterise these numbers as a good result in tough trading conditions.

We are seeing some early gains from the changes we are making within the business and improvements in the way we make, market and execute the sale of our portfolio.

And we are seeing the signs of improving value share in key markets.

However global wine volume is being affected by the adverse economic cycle and our decisions to exit cask wine in Australia and increase Beringer White Zinfandel pricing. And, as previously signalled, we are seeing some higher costs from raw materials and more expensive vintages falling to the cost line.

Slide 6 - Australian Beer

One highlight of today's result is our strong performance in Australian beer.

After some modest, but worrying, share losses, we've seen a comeback in the last quarter. Our Nielsen share has grown in each and every month since August 2008. There is still some way to go before we can claim to have turned the corner, but I am pleased with the way the Australian team have picked up the performance challenge.

Just to give you an idea, beer shipment volume in December was 7.8% ahead of a year ago, and value was up 9.1%. We have also had a strong start to the second half.

We picked up almost 18% volume growth in the domestic premium category, and net sales revenue grew just over 11%. This was led by Carlton Dry Fusion, and a return to strong growth for Crown Lager.

We also picked up share in the premium imported category, with continued outstanding performance from the portfolio that includes Corona, Stella, Asahi and Carlsberg.

Regular beer grew value by over 6% for the period on the strength of Pure Blonde, Carlton Draught and Carlton Dry. Our challenge remains VB. I'm encouraged that we have continued to slow the decline of VB, and brand loyalty remains strong amongst consumers. We have some great programs planned for 2009.

In mid strength, we have seen much improved performance in Q2 with volume up over 1% on the same period last year. We have more work to do here but there are good signs emerging.

The light category continues its long term decline. Cascade Premium Light is performing ahead of the category.

Cider has performed strongly, with value up over 22%. Cider was the fastest growing alcohol category in the 6 months to December.

The Ready To Drink category is in decline following the excise increase in April 2008. We remain a small player in both the ready to drink and spirits categories, with around 6.5% share in Nielsen channels.

Slide 7 - Australian beer innovation

Innovation continues to be a major value growth driver for us in Australian beer.

We're planning for today's innovations to become the growth drivers for the future. And when you look back over recent years, we've already got some great runs on the board.

In just over four years since launch, Pure Blonde has grown into a brand generating retail sales over $270m annually, has the largest value growth of all beers in Australia, and is the clear leader in the fast growing low carb segment.

We have continued to build on our low carb leadership position, with the introduction in the first half of Pure Blonde Naked Ale. This is the first beer launched as a low carb alternative in the mid strength category. Results from the test market in Queensland are very exciting.

We've also added to the low carb category with Carlton Natural Blonde – leveraging the capital in the Carlton name to craft a new brown glass, low carb lager. It is still early days, but to date there has been very strong consumer and customer support.

The refreshed Carlton Dry has also successfully tapped the lower carb category with value growth of over 70% for the half.

Cascade Green has introduced the concept of a 'greener choice' beer and Carlton Dry Fusion has grown from nothing to the largest selling flavoured beer on the market in just over one year.

Craft beer remains a small but buoyant sector and our Matilda Bay brewers continue to deliver with a new American Style Pale Ale, Fat Yak and the release of the Sebastian Reserve.

Slide 8 - Global Wine

Moving on to Global wine, where there are a number of encouraging trends emerging.

A sustained innovation and investment program in Australia has contributed to bottled wine growth. Shipments of bottled wine in Australia were up 5.9%, with net sales revenue up 6.2%.

In the US, volume share of total table wine retailing over US $4 a bottle (excluding White Zinfandel) increased 30 basis points to 9.3% in the half.

In the UK, we have increased our Australian category share in the off-premise market to over 25% for the last quarter, the highest we've ever achieved.

Our reported top line numbers include the impact of a number of key decisions, including the exit of cask wine in Australia and the price initiative on Beringer White Zinfandel taken in January 2008.

And in the Nordics, we announced a move to direct distribution, a major investment for us in an improved route to market. While we will see benefits in future periods, we have experienced some disruption to trading as we transition to our new model from previous partner V & S Group, acquired recently by a competitor.

Despite hurting us in the short term, these decisions positively contribute to Foster's in the medium to long term.

While overseas markets are generally experiencing a slowing consumer environment, in most cases - the US being the prime example - it is prompting a switch away from the higher contribution on-premise trade. Mix is also deteriorating as consumers trade down price points.

Reported wine EBITS increased 10.6%, with favourable currency benefits partially offset by an unfavourable change in sales mix, increased marketing and selling investment and higher cost of sales.

Slide 9 - Global Wine Accolades

And, importantly, the fundamentals of our wine business – the labels and quality – remain in excellent shape.

Penfolds is not only recognised for great red wines, but also whites, with Penfolds Yattarna 2005 chardonnay awarded the Australian Wine and Brandy Corporation's George Mackey Trophy for the most outstanding export wine of the year.

In a terrific boost, Wolf Blass was named Red Wine Maker of the Year in the prestigious International Wine Competition in London. This builds on an impressive list of accolades for Wolf Blass.

In the US, our Chateau St Jean winemaker, Margo Van Staaveren, was awarded the Wine Enthusiast Magazine 2008 winemaker of the year. Also in the US, Penfolds and Beringer were included in Wine & Spirits magazine wineries of the year list.

Slide 10 – CEO Agenda

Before I hand over to Angus to take a closer look at the numbers, I wanted to briefly guide you through some of the key themes of the last 6 months.

When I presented the 2008 annual results in August, I outlined an agenda for Foster's.

Just to remind you, our priorities were to

Build volume growth and gain value share;

Reduce business costs; and

Continue to build business capability

Those priorities were based on my view that we had a fantastic portfolio of brands but we faced some capability gaps.

We were not executing our business plans as well as we should, and we were challenged by some rising costs in unreleased wine vintages.

Slide 11 - Growth

We were losing share in core segments and not meeting – or bettering – category growth rates in key markets.

6 months later, I'm pleased with the progress we are making.

Much of the work so far has been focussing on getting the basics right. Simplifying the business to focus on what really matters – profitably making and selling drinks.

We have begun to set clear priorities by brand and market sector and are aligning resources to support these priorities.

In the first half we began to address sales effectiveness in Australia and the US.

In Australia we have put some quick runs on the board in terms of turning around sales growth trends and we've taken back 1 percentage point of beer share in the previous quarter.

While in the US we still have some internal issues to overcome, we are addressing them and again share trends have shifted back to positive territory.

Our price increases are now in line with the market and we are investing behind in-market support and promotion. But that doesn't mean we are prepared to accept margin reduction and there is an intense focus on reducing the costs of running the business.

We know we can do better on innovation, but I'm encouraged by the strong growth we are seeing from new products brought to market over the past year and in recent months. This does not mean that we are neglecting our core brand base.

Finally, we are moving to seize opportunities to capture more of the profit pool in attractive markets – our recent shift to direct distribution in the Nordics is a case in point. We are also concentrating on channel expansion and in store merchandising, both of which are showing encouraging signs.

Slide 12 – Efficiency

As I mentioned earlier, we are also applying concerted effort to capturing cost efficiencies across the group.

Our corporate overheads are relatively modest when expressed as a ratio of net sales, but they offer scope for reduction.

Finding efficiencies in the back office is the best way to fund our sales engine room.

There is currently a comprehensive review of Foster's business processes underway to drive efficiencies and eliminate low-value adding activities.

There are also improvement opportunities across our production facilities.

We are already great producers of drinks but a focus on continuous improvement is now driving efficiency leading to cost savings and increasing quality delivery across our supply chain.

That's the same for our purchasing, where we are taking a very close look at our procurement contracts and leveraging scale with strategic suppliers.

Slide 13 - Capability

Perhaps the biggest effort – and the one where we can leverage great return – is in changing our business culture.

Over recent months, we have been working hard as a senior management team to clearly define the performance outcomes expected of Foster's people.

These outcomes are wrapped up in our focus on building an accountable, adaptable and aggressive performance culture – what we now internally call our Three As.

We are also investing in sales capability – investing in excellence programs and better aligning our sales force rewards with performance outcomes.

These are not quick solutions to long standing issues, but they are crucial steps to changing the way we do things around here.

Without a positive internal culture, our business strategy will be compromised and it cannot deliver optimum outcomes.

The early positive response to this work, gives me great heart that we are on the move. And while the market performance improvements are recent, and small green shoots, there are many of them.

Angus will now expand on the numbers and give more detail on how we've performed in the first half.

Slide 14 - Angus McKay, Chief Financial Officer

Thanks Ian and good morning everyone.

Slide 15 – Key Financials

Looking at the headline numbers, group volume declined by 2.8%, net sales revenue increased by 2.2% and earnings per share increased by 6.5%.

Overall Group EBITS increased by 4.5%, and I will come back later in the presentation to discuss divisional EBITS in more detail.

Included within the Corporate EBITS in this half was a $5.6m one-off benefit relating to ALH property sales. These relate to the deferred settlement of properties under development at the time of the ALH disposal. Equally, I would remind you that the prior period included a net one off benefit of $15.3m in the AAP region. Net of these, Group EBITS increased 6.2%.

Currency has had a net positive impact on the result and on a constant currency basis EBITS declined 1.8%.

Interest expense increased 3.6% and the average rate in the first half was 6.0%. Based on current market rates we expect the average rate to be lower in the second half. Exchange rate movements increased interest expense by approximately $7 million.

Income tax expense was up 4.2%. The effective tax rate was 28.5% and is in line with last year. For the full year we expect the effective tax rate to be similar to the first half.

Earnings per share growth was ahead of net profit growth and benefited from the buy backs completed in fiscal 2008. The weighted average number of shares on issue was down 1.5% to 1.9 billion.

Slide 16- AAP BCS

Now turning to the Beer Cider and Spirits business in the Australia Asia Pacific region, or as we refer to it – AAP BCS.

Before looking at this years performance I remind you that the prior period included the distribution of Boags, $17.8 million of asset sale profits and $4.9 million of one-time costs associated with the transformation of the Australian logistics network. To highlight underlying performance trends this slide excludes these items from the comparative data.

The Beer category in Australia is benefiting from volume growth and the continuation of positive price and mix trends.

Underlying AAP beer volume increased 2.5% and net sales revenue increased 5.9%. In Australia underlying beer volume increased 3.1% with net sales revenue up 6.2%.

Cider continues to perform strongly with good volume and revenue growth. Spirits and RTDs declined and continue to be impacted by the April 2008 excise change.

On a constant currency basis underlying EBITS increased 5.6% to $425.9 million.

Slide 17 – AAP BCS – Cost of Sales

Slide 17 looks at AAP BCS cost of sales.

In the first half AAP BCS mix adjusted unit cost of sales increased by 4.6%. The drivers of this increase included exchange rates and higher ingredient costs, principally malt and hops. The exchange rate impact relates to foreign currency denominated costs on imported beer and other inputs.

For the full year we continue to expect increases to be between 4 and 6%.

The new Australian logistics network is performing in line with expectations with further cost savings expected to be realised over the balance of the year as activity and processes at the new warehouses are optimised.

Throughout the transformation process customer service levels have been outstanding with excellent in full on time delivery performance.

Metro customers continue to strongly endorse the single beer and wine delivery capability of the network.

Slide 18 – Global Wine

Moving now onto global wine on slide 18.

Net sales revenue increased 3.1% and EBITS increased 10.6% to $243 million.

To varying degrees volume and sales mix in each of the major markets have been impacted by the slowing consumer environment.

Global wine volume was down 6.3% with the key drivers our exit from cask wine in Australia; disruption in the Nordics following the purchase of our distributor partner by a competitor; and lower Beringer White Zinfandel shipments in the Americas following our price increase in January 2008. While negatively impacting volume in this period each of these factors are positives for the business.

Outside these factors top line performance in the balance of the business was solid with volume up 0.6%.

Net sales revenue per case was up 10% and benefited from currency, the de-emphasis of cask in Australia, and selected price increases. However we are seeing some negative mix trends particularly in the US with slowing sales of wines priced above US$10 per bottle and particularly for luxury wines.

EBITS increased 10.6% with the benefit from currency partially offset by mix, the previously identified higher Australian and Californian vintage costs, higher American glass costs and increases in selling and marketing investment.

In contrast to recent periods exchange rate movements had a favourable impact on wine earnings. On a constant currency basis EBITS declined 11.6% and for the remainder of today's presentation I will focus on constant currency performance and note when I am referring to the reported currency numbers.

Slide 19 – AAP Wine – Key Financials

Moving now onto wine in AAP on slide 19.

Whilst overall wine volume declined, bottled wine volume in Australia increased 5.9% and net sales revenue increased 6.2%.

In Australia Foster's continued to lead innovation with the introduction of lower alcohol, lower calorie wines and new varietals.

In Asia Pacific wine volume was down 12.4% and was impacted by a softening consumer environment and the onset of recession in key markets.

Foster's continued to drive leadership in the Australian wine category in core Asian markets like Hong Kong and Singapore. Foster's also continued to drive growth in wine value share in New Zealand following the successful launch of Matua Road and Yellowglen sparkling.

Net sales revenue per case increased 6.7%, primarily driven by mix.

Slide 20 – Americas Wine – Key Financials

Turning now to the Americas.

In the US shipments declined 5.9% primarily as a result of Beringer White Zinfandel. Excluding this item US shipments increased 3.4%.

In the US, distributor depletions were ahead of our shipments. Depletions of Californian sourced wine excluding Beringer White Zinfandel were up 8% and Australian sourced wine up 2%.

Beringer White Zinfandel depletions were down 20% and in line with our expectations. One year on from the price increase it is worth highlighting the development of the broader Beringer California Collection and the increased levels of profit flowing from this brand.

Over the past 12 months we have successfully launched chardonnay, cabernet and merlot and have plans to further expand with other popular varietals in the pipeline. The expanded California Collection provides retailers with a strong Beringer branded varietal set in the fast growing $4-6 price point. This is a significantly enhanced position compared to the primarily pink wine offering we had a little over 12 months ago.

And while Beringer White Zinfandel volume is as expected below the prior year, unit profitability and earnings are up. The improved profit performance is against the prior period which, as we previously highlighted, included the pre price increase distributor buy in.

Over the next 6 months as we start to lap the price increase we expect an improvement in the comparative performance of Beringer White Zinfandel. We also expect the broader California Collection to continue to benefit from the expanded varietal offering and increased distribution.

In the balance of the Californian portfolio, Meridian, Cellar No 8 and Chateau St Jean all grew strongly. However depletions of luxury wines were below the prior year as we experience the negative mix impact associated with the increasingly poor economic and consumer climate.

The turn around in the depletions of our Australian sourced wines reflect the restoration of promotional and merchandising activity and the launch of new varietals.

Performance in Canada was impacted by the slowing consumer environment and price increases implemented last year. We moved to re-align pricing in the December quarter and we are seeing early signs of a turn around in provinces where the price rollback has hit retail shelves.

Slide 21 – EMEA Wine – Key Financials

Moving onto EMEA where the deteriorating economy and slowing consumer environment has impacted all markets.

Growth in the Australian category in the UK has slowed with flat volume and retail price growth driven by excise increases. Foster's volume increased 5%.

We are mindful of the competitive nature of the UK market and continue to align our participation in promotional activity with overall wine availability and a view to profit.

Outside the UK volume declined 28% with the one-time disruption in the Nordics a key driver.

The one-time impact reflects the disruption to trading, following the acquisition of our distributor by a competitor, and our subsequent move to direct distribution. In fiscal 2009 these factors are expected to result in a one-off volume impact of between 0.6 and 0.8 million cases and an EBITS impact of between $16 to 18 million. Approximately half was included in the first half.

Clearly the short term negative impact is outweighed in the medium term. The ability to manage the distribution of our brands in these key markets and the access to the wider profit pool are positives.

Slide 22 – Global Wine - Cost of Sales

Slide 22 looks at wine cost of sales.

In the first half, mix adjusted unit cost of sales increased by approximately 5%. The key drivers of this increase were the previously identified higher vintage costs in Australia and California and higher glass and energy costs in California.

For the full year we continue to expect mix adjusted wine unit cost of sales to be up mid to high single digit. Through the second half an increasing portion of wines will be sourced from the higher cost Australian 2007 and 2008 vintages.

We continue to make good progress on reducing our surplus wine inventory and expect to have substantially completed the process in the first half of fiscal 2010.

Industry grape production in the 2008 Californian vintage was 6% below the previous vintage. Yields in the Coastal regions were impacted by frost and heat.

We are approximately a quarter of the way through our Australian vintage. The impact of the extreme heat conditions experienced in late January and into February has varied by region and varietal. Foster's continues to assess the potential impact of smoke taint from the recent fires. While it is still early in the vintage, these events are expected to reduce yields.

Slide 23 – Currency Sensitivities

Slide 23 looks at currency sensitivities.

The top section looks at the impact of exchange rate movements on the first half.

I remind everybody that there is both a translation and transaction impact from exchange rates.

Through the first half there has been significant movement and volatility in exchange rates with the US dollar rate ranging between 98.5 and 60.1 cents and the pound rate ranging between 36.9 and 49.0 pence. This volatility has resulted in significant differences emerging between average and transaction rates.

In the first half the vast majority of the exchange rate impact on wine EBITS and group profit before tax was transactional.

The benefit to wine EBITS from exchange rate movements was approximately $55 million with movements in the US dollar and Euro the key contributors. The impact from the movement in the pound was limited as transaction rates were similar to the prior year.

The negative impact of exchange rate movements on BCS input costs was approximately $16 million and I note that the majority of transactions that these relate to occurred in the December quarter.

The bottom section looks at indicative currency sensitivities for the second half. For the purpose of calculating sensitivities we assume the same rate prevails throughout the period.

Slide 24 – Cash flow

Turning now to cash flow which remains a core strength.

Cash conversion continues to be outstanding, increasing to 92.5%.

BCS cash conversion was 87% and wine cash conversion was 112%. Both were ahead of the prior period. I would highlight our continued focus on cash management as a core strength but also point out that 112% wine cash conversion is not sustainable.

For the full year, we continue to expect both BCS and wine cash conversion to be within our target ranges - between 95 and 100% for BCS and between 80 and 90% for wine.

Operating cashflow pre interest and tax was $692 million, up 13.2%, showing consistent growth.

Slide 25 – Cash Flow and Net debt

Slide 25 looks at cash flow and net debt.

Net debt increased to approximately $3 billion as $156 million of cash flows after dividends from operations was offset by the non-cash impact of exchange rate movements on our debt portfolio.

Operating cash pre interest and tax remains excellent. Cash flow after dividends was down as the prior year benefited from asset sales and the issue of shares under the DRP.

Capital expenditure was $53 million and in the line with the prior period. Major areas of capex included Foster's global IT project, investments in new packaging flexibility and the purchase of kegs and oak. For the full year we continue to expect capex to be in line with depreciation.

Slide 26 – Capital Structure & Debt Profile

Moving onto capital structure on slide 26.

Foster's debt servicing ratios and cash generation are robust with interest cover of 7.9 times. Reflecting the exchange rate driven increase in net debt, gearing increased to 76%.

We retain our long term BBB / Baa2 credit rating with a stable outlook and financial position.

The weighted average maturity of gross debt remains at 7.7 years.

In the first half Foster's continued to actively manage its liquidity and as appropriate it renegotiated bi-lateral bank facilities as and when they fell due. As at 31 December Foster's had committed undrawn facilities of approximately $1.5 billion and $296 million of cash. Approximately half of these undrawn facilities have maturities beyond June 2010 and approximately 83% of the facilities are denominated in foreign currencies.

Foster's has approximately $33 million of bank debt repayable within the next 12 months. In March 2010 $300 million of medium term notes will mature and in June 2010 approximately $167 million drawn under a multi-currency facility will mature.

Thank you and I will now hand back to Chris to facilitate the result Q&A session.