

FOSTER'S
GROUP
Inspiring Global Enjoyment

ASX RELEASE

Foster's Brewing Group

The following release was made to the
Australian Stock Exchange Limited today:

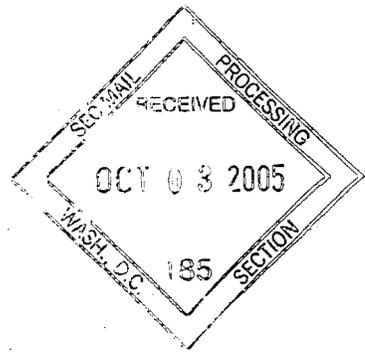
"Strategy Briefing – Presentation Slides"

SUPPL

Released: 21 September 2005

PROCESSED
OCT 18 2005
THOMSON
FINANCIAL

Pages: 1
(including this page)



FILE NO: 082-01711

A FULL COPY OF THIS ANNOUNCEMENT WILL BE SENT TO YOU
VIA HARD COPY (101 Pages).

THE STRATEGY BRIEFING – PRESENTATION SLIDES CAN BE
VIEWED ONLINE AT:

www.fostersgroup.com/investors/presentations.htm

If you would prefer to receive this notification by email please reply to
jane.dowsey@fostersgroup.com or
Ph: +61 3 9633 2105

JLD
10/5

Faxed 21 Sept 2005

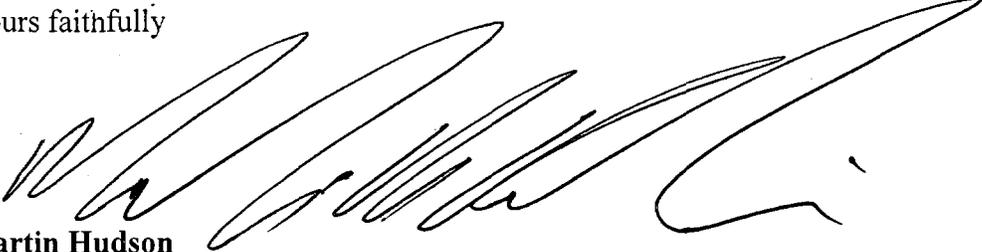
21 September 2005

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Attached is a copy of the presentation to be delivered today at a Foster's Group Strategy Briefing in Sydney. The briefing will be webcast live from 10.00am and can be accessed from the Foster's Group website www.fostersgroup.com.

Yours faithfully



Martin Hudson
Company Secretary
Foster's Group Limited



A year of transformation

Trevor O'Hoy
 President and Chief Executive Officer
 September 21, 2005



Today's agenda

Introduction	Trevor O'Hoy
Consumer led, customer driven	Jamie Odell, John Murphy
Foster's Wine Estates	Jamie Odell, Scott Weiss
Foster's Australia	John Murphy
The Foster's Brand	Rick Scully
Lunch	
Foster's Global Supply Chain	Randolph Bowen, Rob Rogers
Southcorp Integration	John Murphy, Jamie Odell
Closing comments	Trevor O'Hoy

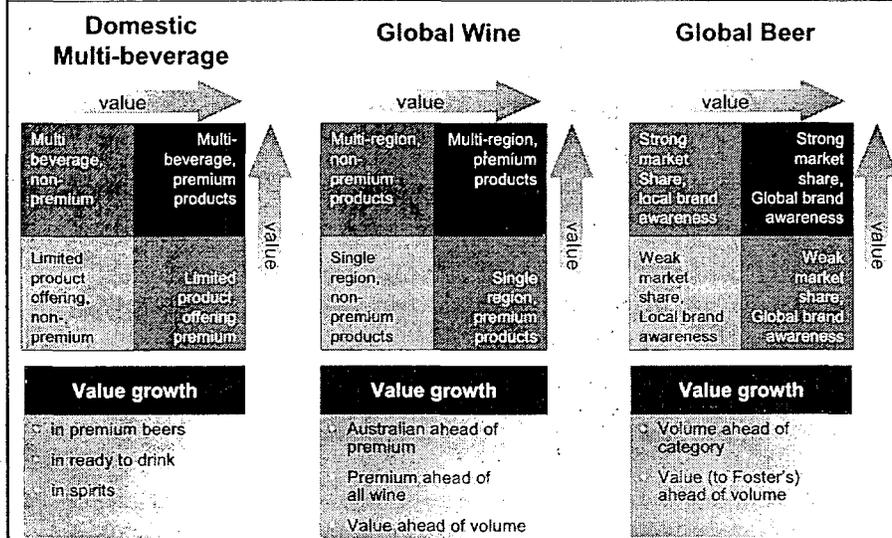
Southcorp synergies



Net synergies of:

\$Amillion net synergies	FY'06	FY'07	FY'08
Corporate overheads	20-25	35-40	35-40
Production / procurement	3-5	25-30	50-55
Route to market	15-20	40-45	45-50
Total	40-50	100-115	130-145

We're in the right place



A different company



- A pure beverages company
 - Australia's leading multi-beverage business;
 - world's leading premium wine company; and
 - the world's seventh largest and fastest growing global beer brand.
- A focused business structure
- A well defined growth formula
- A transforming acquisition
- A new operational executive team
 - John Murphy - Foster's Australia
 - Jamie Odell - Foster's Wine Estates
 - Rick Scully - Foster's Brewing International

Consumer led, customer driven

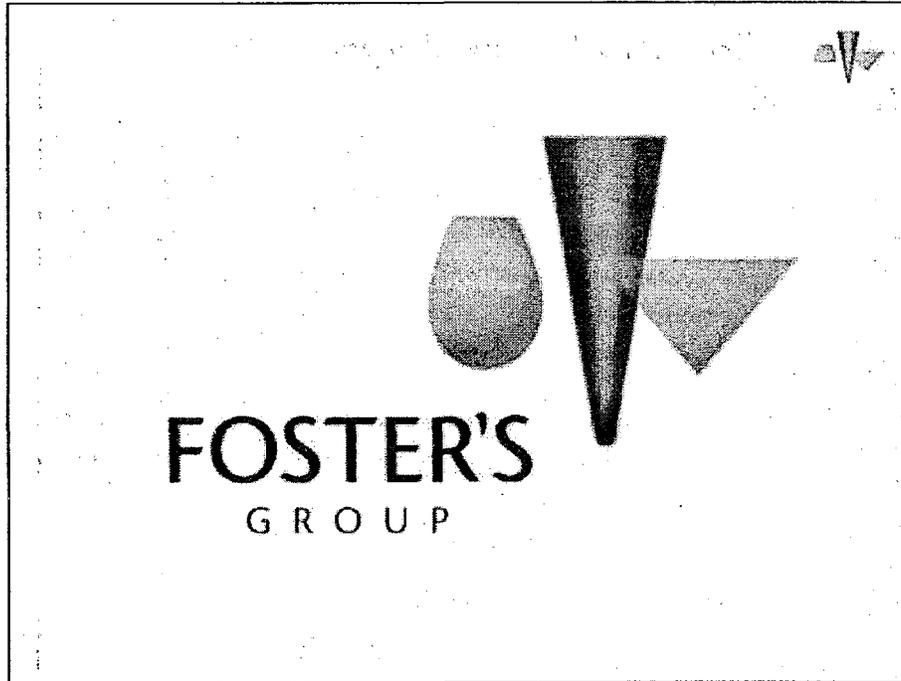


A consumer led company:

- understands its end consumers
- innovates to meet diverse demand
- delivers flexibly and consistently
- provides premium products
- becomes a consumer's first choice for beverages

A customer driven company:

- understands those who sell its products
- innovates in collaboration
- tailors its service offering to customer needs
- provides a true value-added offering
- becomes a customer's first choice supplier

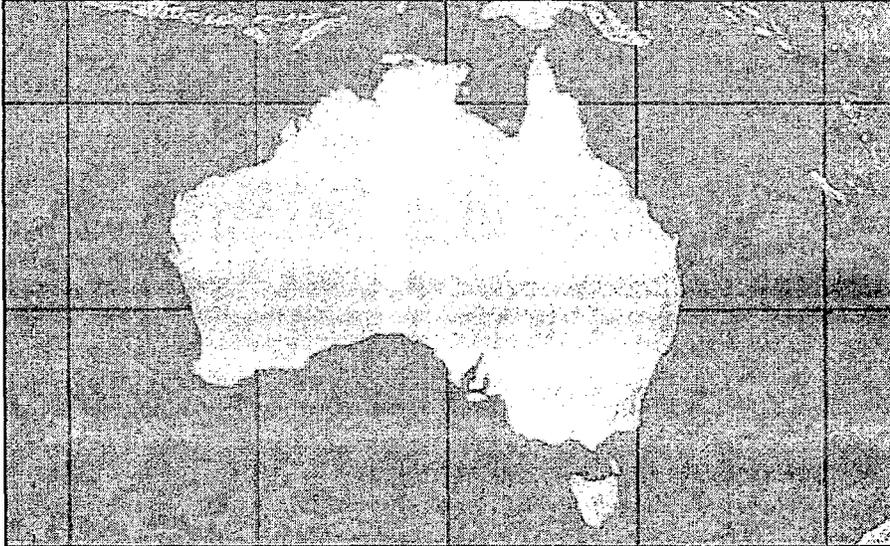


**Consumer Led,
Customer Driven**

John Murphy Managing Director Foster's Australia	Jamie Odell Managing Director Foster's Wine Estates
--	---

21 September 2005

Australian multi-beverage market



Defining consumer led, customer driven



Consumer led...

- The consumer is at the heart of everything we do
- We have a passion for offering a superior portfolio of brands for the enjoyment of our consumers



Customer driven...

- Our customer relationships are essential in providing the best drinking, dining, and shopping experience to our consumers on every occasion



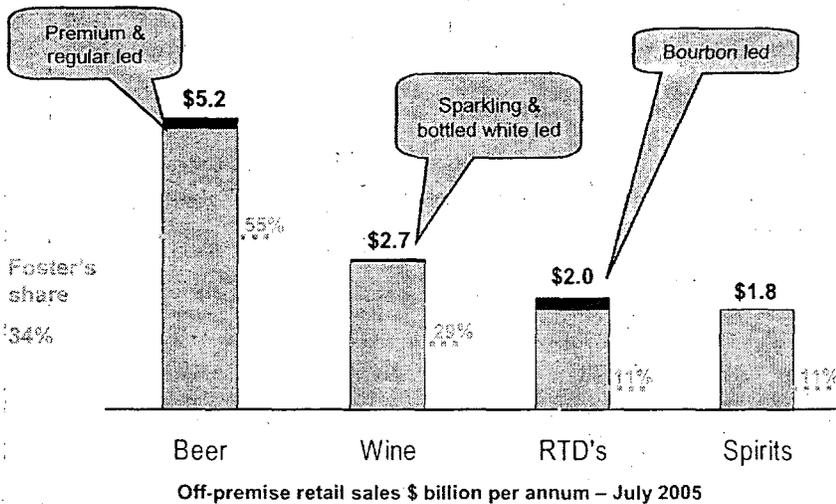
Consumers are drinking a broader repertoire, creating opportunities

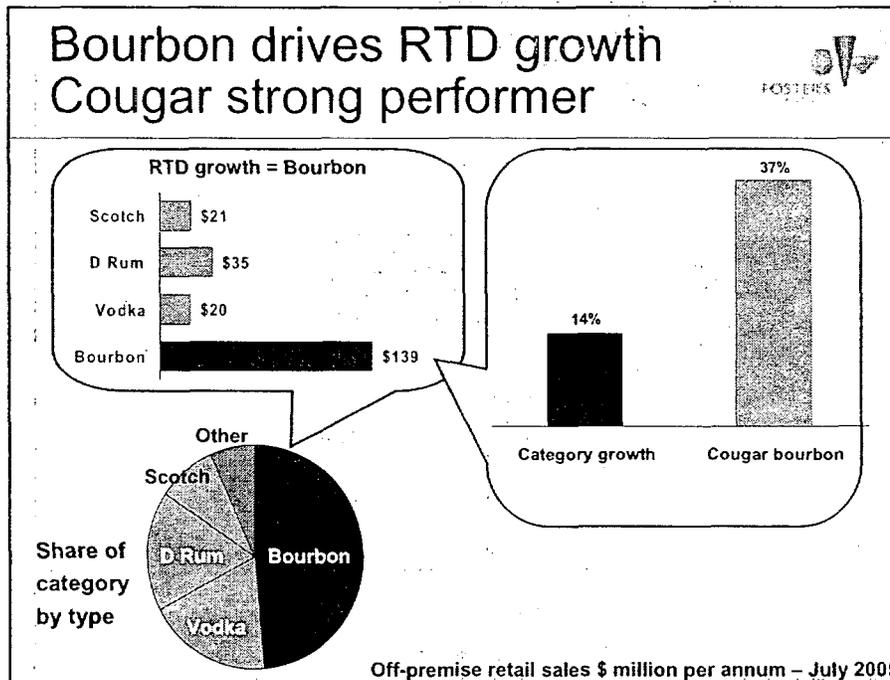
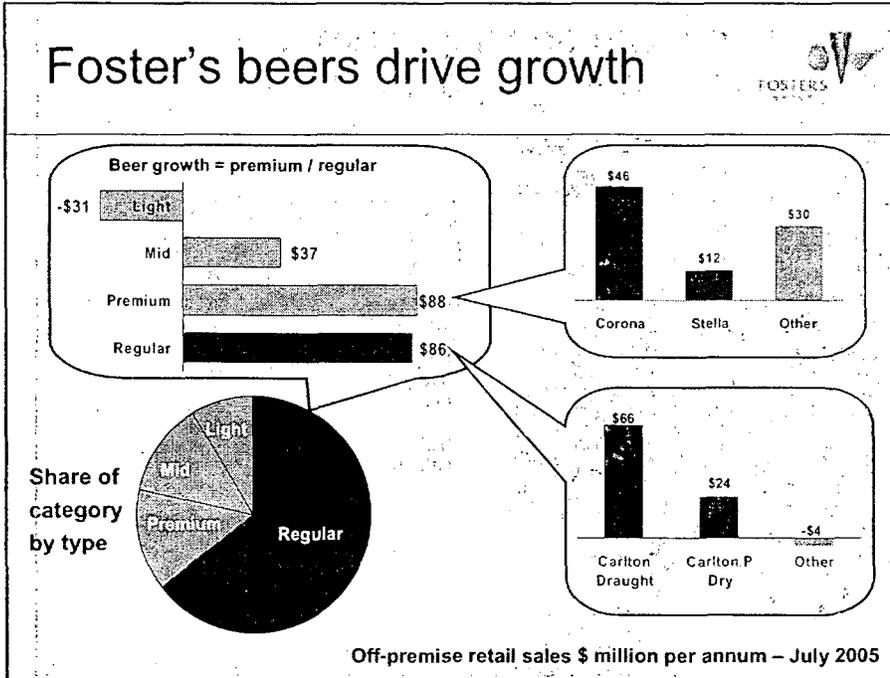


Alcohol consumption			
	2001	2005	2009F
Single category only	37%	29%	18%
Multi-category	63%	71%	82%

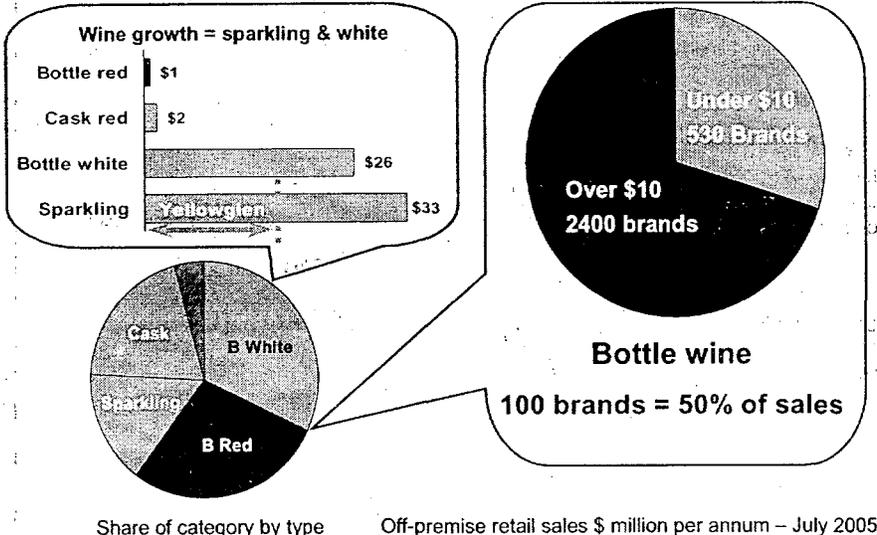
Source: Roy Morgan – consumed last 4 weeks MAT July 2005

Australian category performance

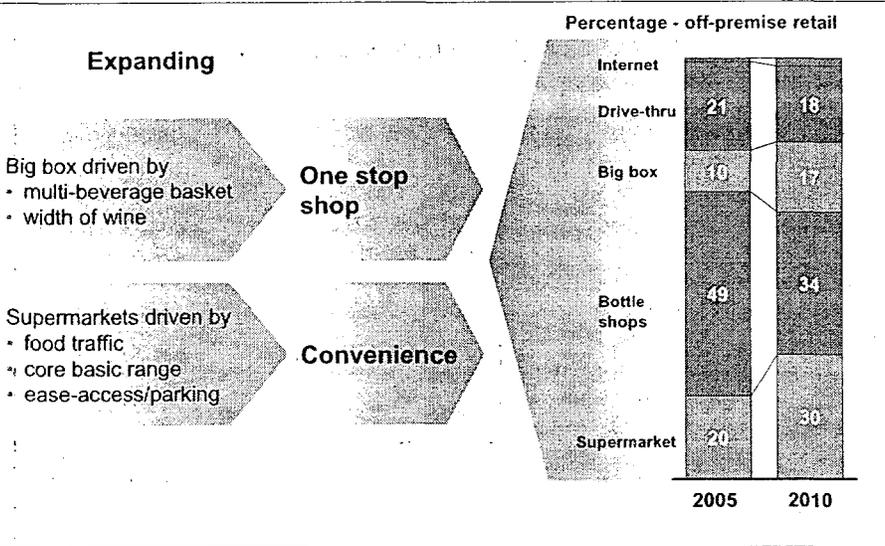




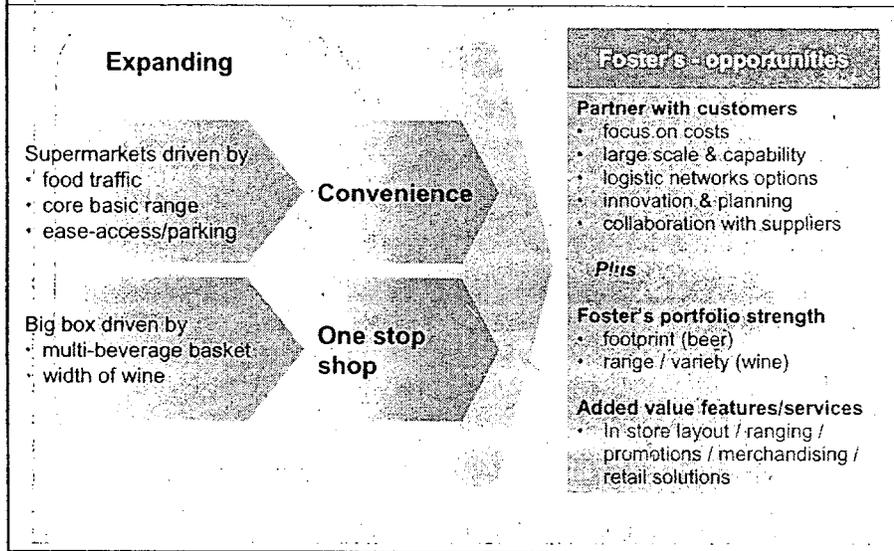
Bottle wine: majority of category growth by sparkling & white



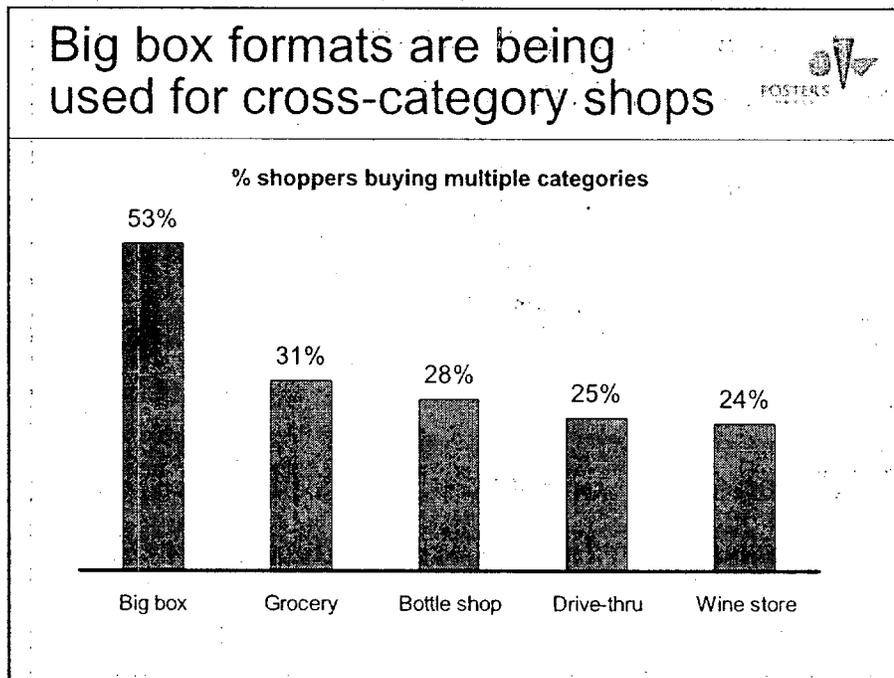
Foster's is positioned for off-premise changes



Foster's is positioned for off-premise changes



Big box formats are being used for cross-category shops



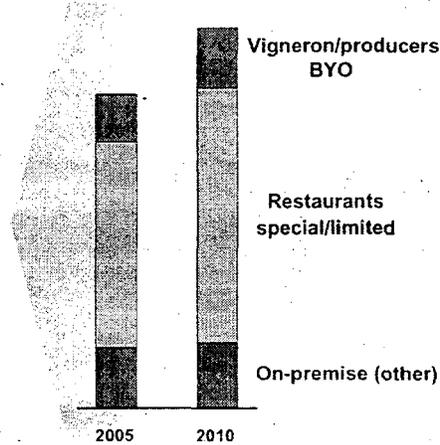
Foster's is positioned for on-premise changes



Expanding

Restaurants and cafés

- Fragmented, specialised social venues
- Consumers want greater variety of
 - venues/products
 - boutique brands
- Aspirational nature of venues
 - brands must match



Number of on-premise liquor licences

Foster's is positioned for on-premise changes



Expanding

Restaurants and cafés

- Fragmented, specialised social venues
- Consumers want greater variety of
 - venues/products
 - boutique brands
- Aspirational nature of venues
 - brands must match

Foster's - opportunities

Breadth of brand portfolio

- Premium margin brands
 - allocated by customer/venue type
 - point of differentiation - small customers
- Build brands, trial, seeding

Customer management

- New customer model
 - increased contact (phone/web)
 - delivery options
 - value added features services

plus

Total venue solutions

Multi-beverage consumers & industry dynamics are driving the need for enhanced disciplines

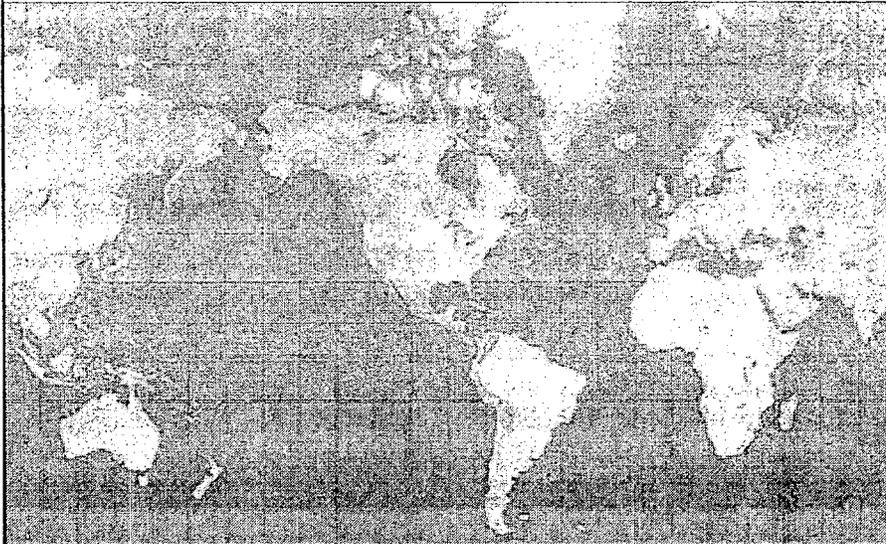


- Customers need to establish strong position with consumers
 - Is consumer offer compelling?
 - Is share of the main game right?
 - Are growth opportunities being missed?

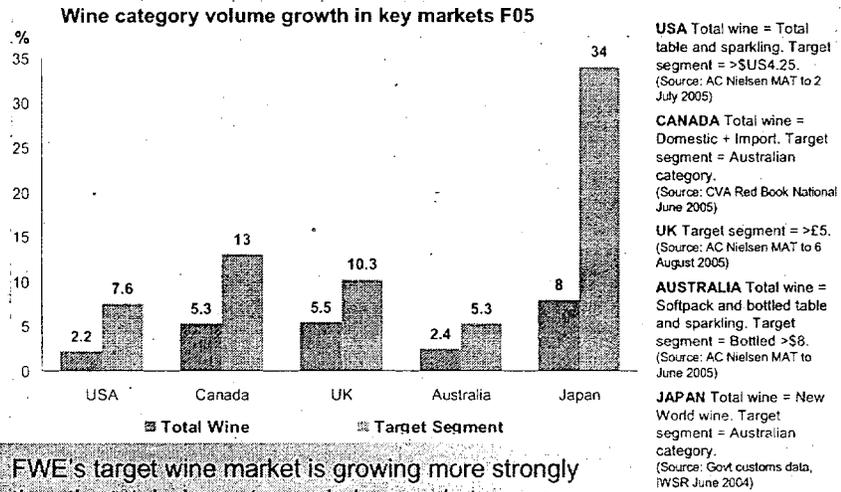
- Together with our customers we need to be good at business analysis
 - profit analysis
 - opportunity identification
 - range review
 - category management
 - space management
 - shopper behaviour

Foster's is best positioned to deliver sustainable brand and service solutions

Global wine market



Wine category growth



FWE's target wine market is growing more strongly than the total wine category in key markets.

Market environment: Americas



Clearly, sales had not yet started. Napa Valley America!

US per capita consumption up 9% since 2000



Wine Moves Into Tie With Beer as U.S. Tastes Change

By Clive Doherty

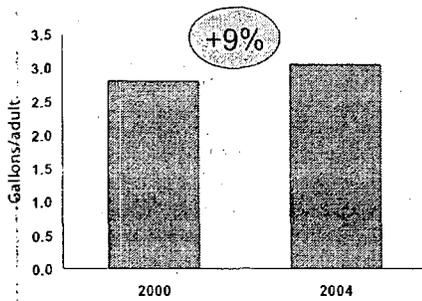
July 20 (E!online) — Wine moved into a statistical tie with beer as the most popular beverage among U.S. drinkers as more young people switched to martinis and older people consumed more wine and liquor, according to a poll.

About 39 percent of U.S. drinkers said they drink wine most often, compared with 35 percent for beer and 21 percent for liquor, according to a Gallup poll. It's the first time since Gallup started polling on the topic in 1992 that Americans didn't pick beer as their favorite, Gallup said in a statement.

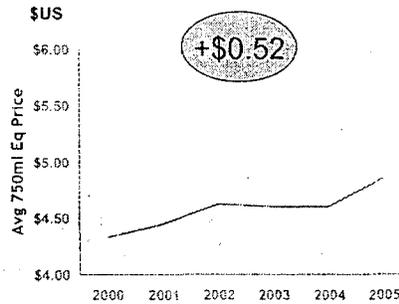
Market environment: Americas



US adult per capita consumption



Average pricing



Absolute per capita consumption has increased by 9% since 2000, and pricing has increased by US\$0.52.

Source: Adams Wine Handbook 2000 to 2004; AC Nielsen scanner data ending July 2000-2005.

Market environment: Americas



Consumer trends

"Premiumisation"

- Premium price segments growing strongly with prices firming – trend accelerating
- Luxury wine market very strong

Tastes broaden

- Pinot Noir, Shiraz and Pinot Grigio continue to enjoy strong growth

Domestic varieties rebound

- Growth outperforming total imported wine

Australian category ripe for upgrade

- Growth concentrated at lower price points

Trade trends

Consolidation continues

- Chains expected to grow sales in F06 by 5% vs 4% for total US wine market.

On-premise channel strong

- Value growing more strongly than volume.

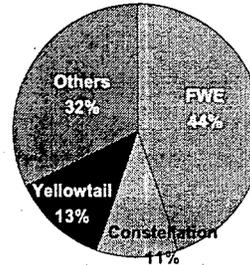
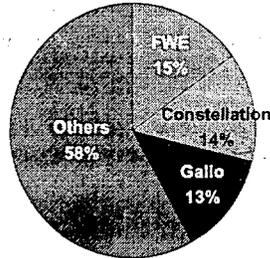


Market share: Americas



US MARKET: PREMIUM WINE

CANADA MARKET: AUSTRALIAN WINE



- FWE has the leading market share in the US premium wine market, with opportunities to leverage breadth and scale for further growth
- FWE is investing in the Canadian market to enhance its leading position in the Australian wine category

Source: AC Nielsen 26 weeks thru 07/04/05. Redbook data 12 months thru 06/05
Premium is \$4.25+/bottle

Market environment: UK



Consumer trends

- **New World still out-performing Old**
 - New Zealand wines command highest average price
 - Australia No. 2 whilst retaining No. 1 volume and value position
 - USA showing strong growth with an improving average price

Official: Beer Sales Overtaken by Wine
Driven by the Bridget Jones generation's thirst for Chardonnay and Pinot Grigio, wine has officially overtaken beer to become Britain's favourite choice of tipples. A report to be published this week will reveal that for the first time British shoppers are spending more on wine than on beer. ... Experts say the swing is the result of a number of factors, including clever marketing, the lack of a major sporting event this summer (traditionally a boost for beer sales), and a substantial increase in women's drinking
(Independent - 21.8.05)

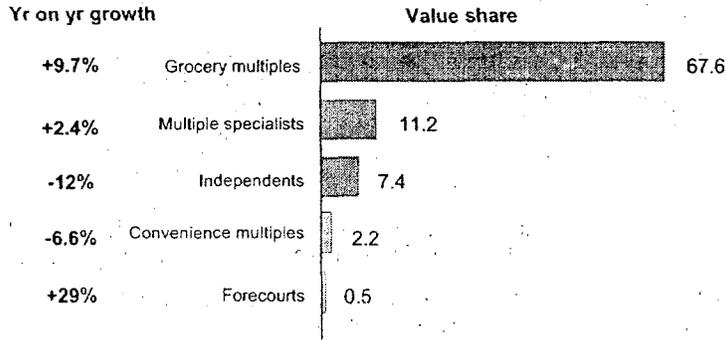


Market environment: UK



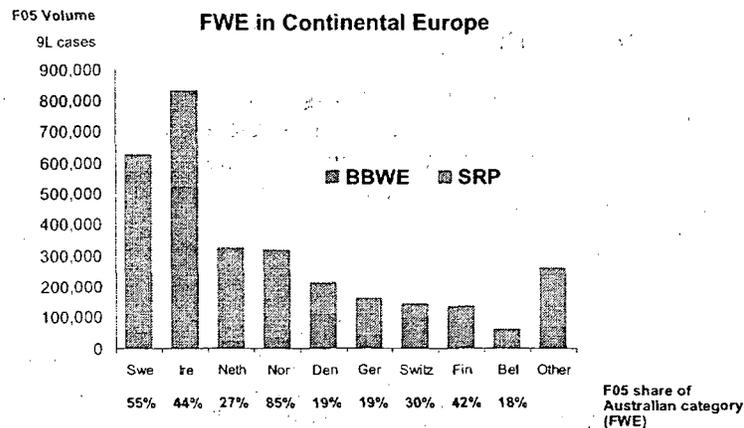
Trade trends

Grocery multiples have a leading share and grow ahead of the market



AC Nielsen to 11-06-05

Market share – Continent



Southcorp delivers scale to capitalise on attractive opportunities in Continental Europe

Market environment – Asia



Greater China

Total imported wine	% Split by origin	Growth rate	Producer ranking New World producers
2004 4.9m cases	Old World 52%	+16%	1. Foster's Wine Estates
2005 est. 5.7m cases + 16.3%	Australia 13%	+34%	2. Constellation
	USA 16%	+19%	3. Pernod Ricard
			4. Concha y Toro
			5. Gallo

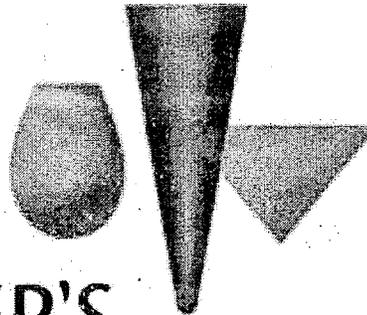
South East Asia

Total imported wine	% Split by origin	Growth rate	Producer ranking New World producers
2004 3.1m cases	Old World 35%	+3-5%	1. Foster's Wine Estates
2005 est. 3.47m cases + 11.9%	Australia 45%	+10-15%	2. Constellation
	USA 8%	+1-2%	3. Pernod Ricard
			4. Gallo
			5. Concha y Toro

Japan

Total imported wine	% Split by origin	Growth rate	Producer ranking New World producers
2004 14.0m cases	Old World 75%	+0.03%	1. Gallo
2005 est. 14.0m cases +0%	Australia 5.3%	+33.0%	2. Constellation
	USA 9.7%	+0.02%	3. Concha y Toro
			4. Franzia
			5. Foster's Wine Estates

Source: Government customs data for calendar 2004, split by origin and growth rate. Management estimates for 2005 and producer ranking.



FOSTER'S
GROUP

Foster's Wine Estates

Jamie Odell

Managing Director,
Foster's Wine Estates

21 September 2005

Agenda

- The Foster's Wine Estates business model
- Strategic success factors
- Progress & future plans
- Summary



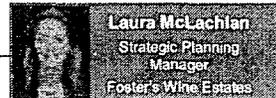
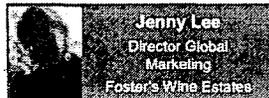
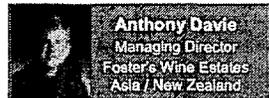
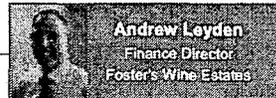
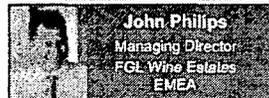
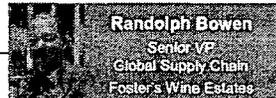
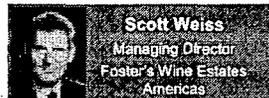
Wine business learnings



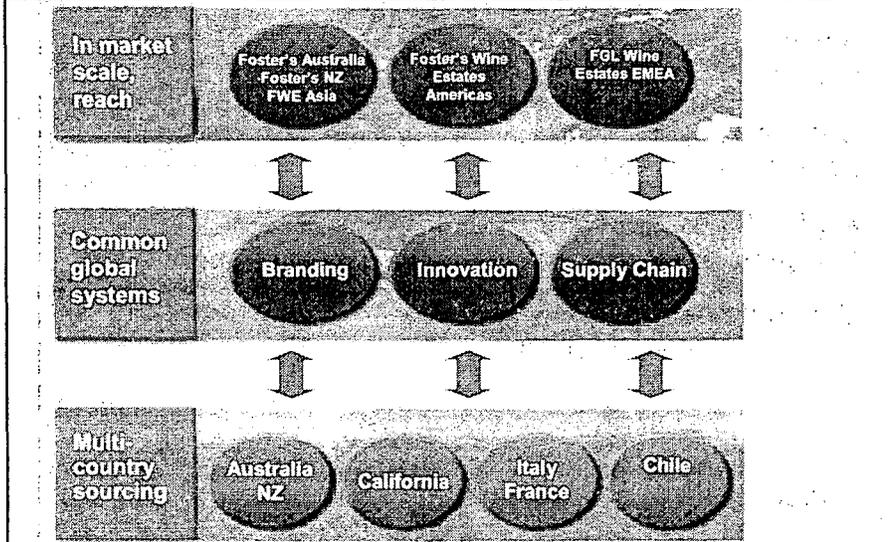
- A wine business can be built around strong brands
- But brands, as in any other category, need to be nourished
- A wine business can improve returns and generate lots of cash
- Consumer demand should drive supply, not the other way round
- *But* supply management critical in driving cashflow and margins to fund re-investment
- Supply is where the fundamental risk resides



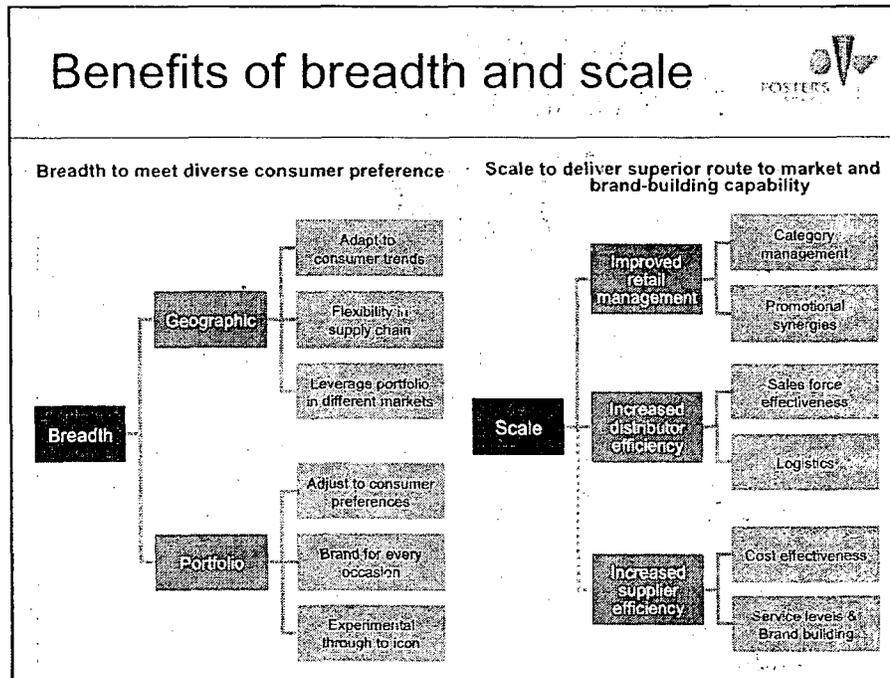
Foster's Wine Estates global leadership team



Our consumer led, customer driven model



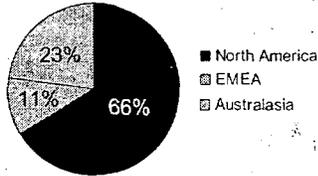
Benefits of breadth and scale



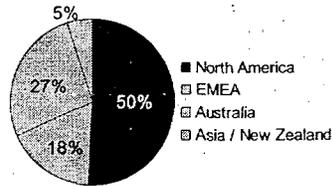
Revenue – Geographic split



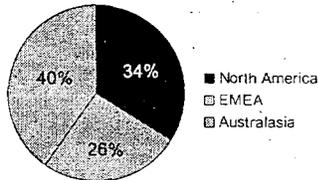
F05 BBWE revenue by geography



F05 Pro-forma wine revenue by geography



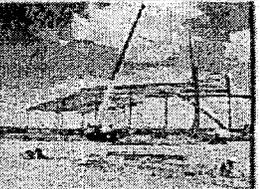
F05 Southcorp revenue by geography



Post-Southcorp, Foster's has a more balanced revenue base, geographically

Leveraging global capabilities

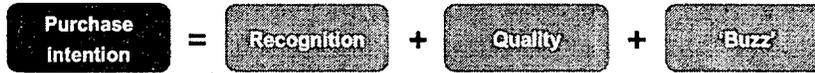


Branding	Innovation	Supply Chain
<p>Global Marketing Coordination Global Marketing Director & team appointed – Working closely with Foster's Australia marketing</p>	<p>Global Innovation Network Linked to Foster's Australia I-Nova & Consumer Insights teams</p>	<p>Global Supply Chain Common, advanced systems Shared expertise Scale and flexibility</p>
		

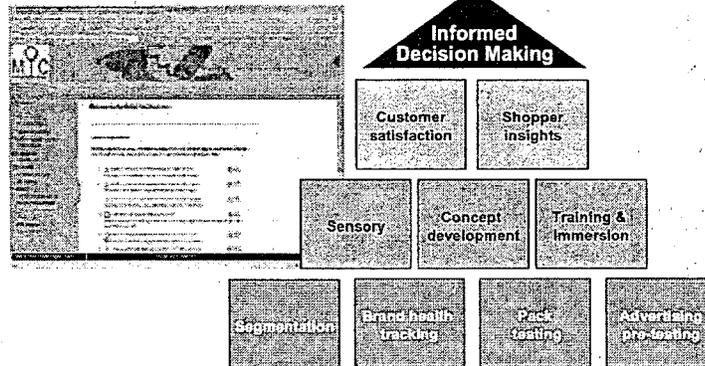
Global consumer insights capability



Sales-Validated Consumer Response Model



Web-based Market Insights Centre



Global innovation network



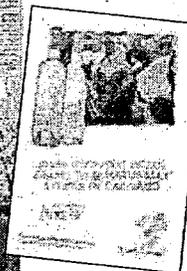
White Lie

- Launched in US April 2005
- Outstanding worldwide media pick-up and web visits
- Other markets and line extensions in plan



Early Harvest

- Launched in Australia June 2005
- PR gathering momentum



The Little Penguin

- 900K cases in first year
- Success driven by "millennial" generation



Global supply chain



Scale and flexibility to

- best target the most attractive category opportunities
- reduce portfolio sourcing risk
- leverage procurement savings and virtual sourcing opportunities
- optimise asset utilisation



Winning in wine: Five key success factors



1

Focus on the most attractive end-market profit pools

- Geographies
- Price points
- Varietals

2

Build strong route-to-market capabilities in these markets

- *Distribution strength*
- Retail category management capabilities/scale

3

Develop A portfolio of easy to understand and relevant brands

- Simple, clear and relevant brand propositions
- "Must-stock" portfolio that covers a consumer's drinking repertoire

4

Tap into multiple, high-growth source geographies

- Australia
- California
- Others: Italy (pinot grigio), New Zealand (sauvignon blanc), South Africa, Chile

5

Execute with excellence

- Trade spend effectiveness
- Sales force effectiveness
- Wine quality
- Supply chain flexibility and efficiency

1

Focus on the most attractive end-market profit pools

- Geographies
- Price points
- Varietals

EXAMPLES

- Wolf Blass growth in UK– only Top 10 Australian wine brand retailing > £6
- Pinot Grigio NPD in US
- Sparkling NPD globally

New product development: global sparkling

Beringer Sparkling White Zinfandel

- Performing well in US, UK, Japan

Yellowglen

- Clear leader in Australian sparkling category, growing strongly
- Pink launched in 2003
- Bella and Perle launched in 2005

Wolf Blass

- New packaging for Gold Label and Red Label Sparkling
- Being supported by Sparkling-specific advertising

Sass Bubbly

- Launched February 2005
- A drink with the sophistication of Sparkling and the taste, variety and alcohol content of an RTD

New product development:
opportunity for Beringer in US



	Beringer	Lindemans	Rosemount	Wolf Blass	Penfolds
\$25+	Beringer Luxury (Private Reserve, III Century, Nightingale)			Super Premium (Platinum, Black & Grey Label)	Supers (Grange, RWT St Henri, etc)
\$14-25	Beringer Luxury (Knights Valley, Napa, L. Oak)		Rosemount Luxury	Gold Label	Supers (Bins Range)
\$10-14	NPD opportunity for Beringer			President's Selection	Thomas Hyland K. Hill
\$8-10	Beringer Founders' Estate	Lindemans Reserves	Rosemount Diamonds	Yellow Label	Rawsons Retreat
\$6-8	Beringer Stone Cellars	Lindemans Bins	Rosemount Blends		
\$4-6	Beringer California Beringer Blush	Lindemans Cawarra			
<\$4					

Retail price point (per 750ml)

2

Build strong route-to-market capabilities in these markets

- Distribution strength
- Retail category management capabilities/scale



Foster's Wine Estates

Scott Weiss

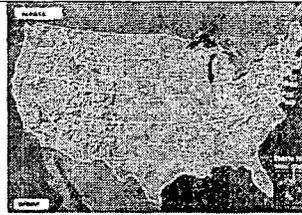
Managing Director,
Foster's Wine Estates Americas

21 September 2005

Route-to-market model: Americas – USA



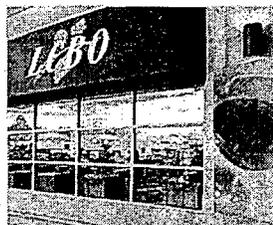
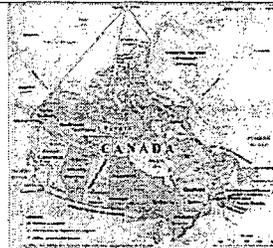
- One Foster's
 - Consolidated sales leadership
 - Common sales systems
- Two selling divisions
 - Maintain existing distributor networks to enable growth
 - Increased personnel in the field
- One Foster's
 - Consolidated marketing, innovation, sales services and consumer insights
- Increasing investment in brands



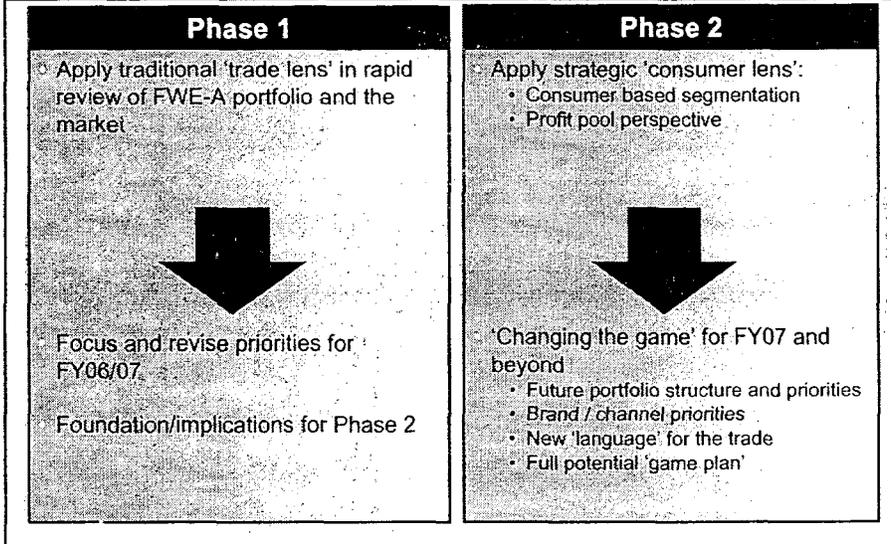
Route-to-market model: Americas – Canada



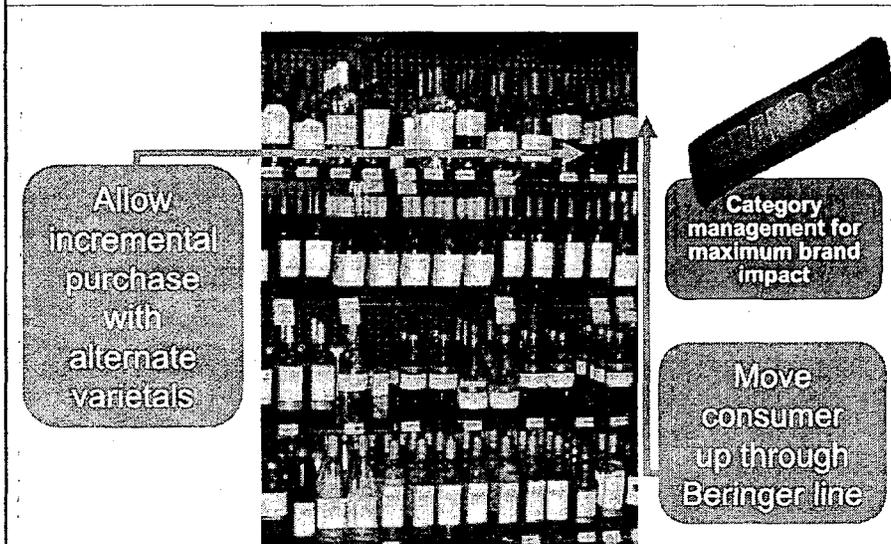
- One Foster's via direct route-to-market
 - Leverage market knowledge and capability from Ontario westward
 - Leverage partner strength and capabilities from Quebec eastward
- One Foster's approach to all other functions to maximize impact and capture synergies



FWEA portfolio planning overview



Category management: Americas (supermarket chain)



Creating new opportunities on premise: US Restaurant Challenge Program



Foster's Wine Estates

Jamie Odell

Managing Director, Foster's Wine Estates

21 September 2005

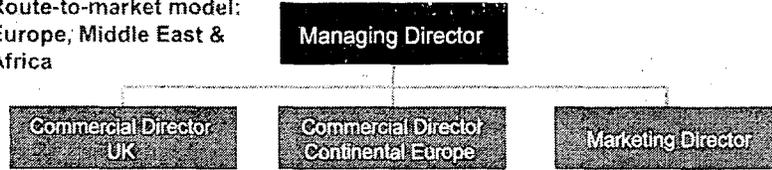
2

Build strong route-to-market capabilities in these markets

- Distribution strength
- Retail category management capabilities/scale



Route-to-market model:
Europe, Middle East &
Africa



Single sales face to customers now in place

- Rapidly leverage combined scale and trading relationships through enhanced channel focus

Leveraging combined portfolio strength through category leadership project

Combined logistics solution and fully integrated customer service function by June 06

- Leverage scale to optimise service and costs

Leveraging new scale in Continental Europe



New breadth and scale enables us to take leading role in capturing Horizon 2 opportunities

- Horizon 1 markets
- Australia ① Premium bottled +5%
 - US ② Premium market +8%, Australian category +17%
 - UK ③ Premium market +10%, Australian category +10%

- Horizon 2 markets
- Canada Japan Germany
 - Nordics BeneluxIreland

- Horizon 3 markets
- Russia Korea China

Source: AC Nielsen to August 2005 – volume growth

Leveraging new scale in Continental Europe



Sweden



- Australian category is 8% of total market
- FWE dominates the Australian category with +50% share
- 7 out of the top 10 Australian red wines are FWE brands
- Great potential for Wolf Blass and Beringer brands

Netherlands



- Lindemans is the number one selling Australian brand
- Investing in consumer marketing to drive Lindemans growth
- Strong trading relationships with key retailers

Norway



- Australian category still under developed
- FWE dominates the Australian category with +50% share
- Number 2 selling SKU is Lindemans BIB
- Great potential for Wolf Blass and Beringer brands

Route-to-market model: Asia / New Zealand



Limited above-the-line investment in brands



Building a sustainable brand investment platform

Fragmented / remote approach to brand marketing



- Integrated marketing capability across the combined NZ business
- Additional resources in Asia

Transactional relationship with distributors in Asia



- More active partnership with distributors
- Doubling resources in Japan
- In-market manager assigned to China

Established multi-beverage model in NZ (but sales teams aligned to product categories)



Benefiting from increased scale and partnership opportunities with major customers (sales teams now aligned to customer groups, all selling total portfolio)

High dependency on grocery customers in NZ



Increased focus on channels where under-represented – on-premise and traditional liquor

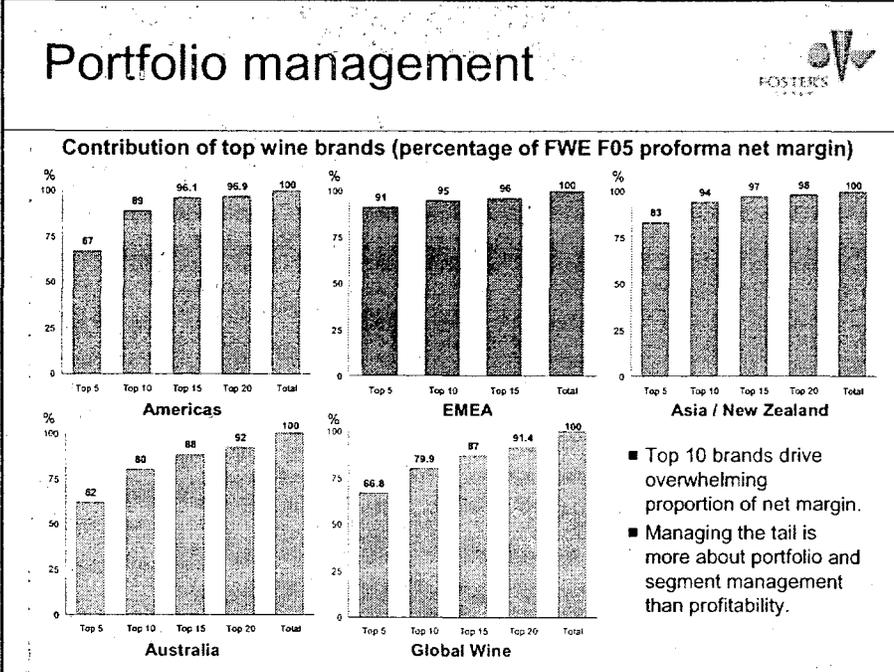
3

Develop A portfolio of easy to understand and relevant brands

- Simple, clear and relevant brand propositions
- "Must-stock" portfolio that covers a consumer's drinking repertoire

- New packaging introduced for Beringer and Meridian in F05
- Core supply chain capability

MERIDIAN.



Our combined portfolio

The strongest in the industry

The Portfolio Advantage

The advantage of having a portfolio of strong consumer brands is that it enables us to target a broad variety of consumers with a range of wine styles that meet multiple consumer needs.

Our core 4 brands can be clearly differentiated on the basis of:

- Consumer Target
- Brand Positioning Territory
- Occasion
- Wine Style
- Marketing Strategy

UK example:
excerpt from trade
presentation



Consumer Target

Our consumers are segmented according to the intensity of their *involvement with wine*

Low Involvement

High Involvement

Easygoing

- Glass with friends
- Least care choosing a wine
- Not wine preferers
- Price is a strong influencer

Enjoyers

- Everyday enjoyment
- To relax/unwind
- Stick with limited list of known brands
- Choose in-store
- Not interested in wine language
- Influenced by major brand advertising

Aspirationalists

- Image important
- Wine preferers
- Varietal knowledge
- Interested in some wine language
- Enjoy trying new wines
- Visit wineries/read wine articles

Appreciators

- Want to discover wine
- Knowledge of wine regions
- Frequently buy >\$10
- Join wine clubs
- Don't stick to known brands
- Ideal wine is complex & interesting

Connoisseurs

- Sophisticated drinker
- Discerning wine taste
- Don't decide in-store
- Have a cellar
- Less influenced by specials/promotions
- Actively pursue wine knowledge

Brand Heartland



Demographic

BC1C2
M/F 35-49

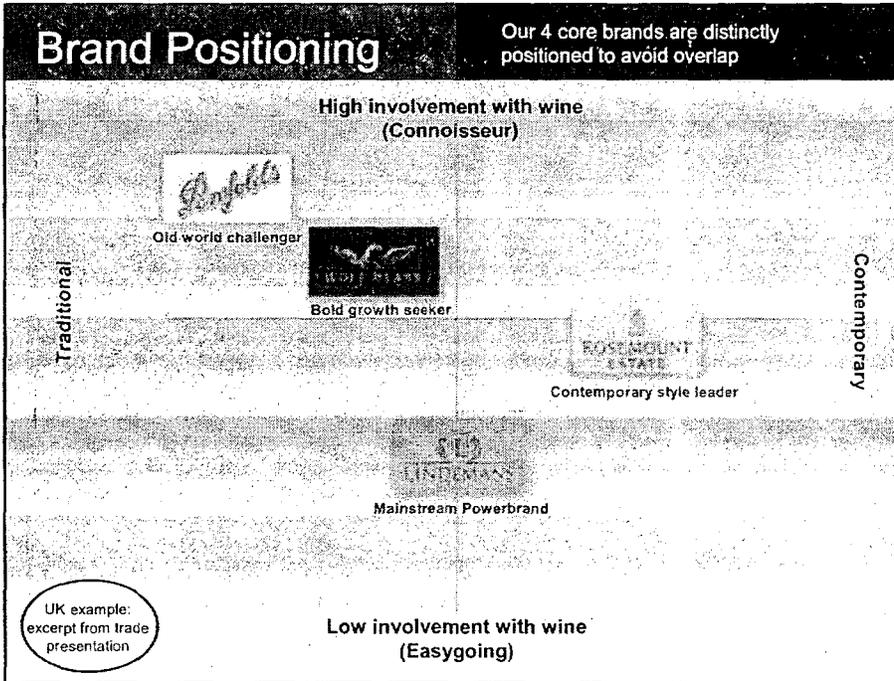
ABC1
70/30 F/M 30-40

AB
70/30 M/F 35-50

AB
M 40+

UK example:
excerpt from trade
presentation





Marketing Strategy

Also helps to reinforce the points of difference between each of our brands

	ENJOYERS	ASPIRATIONALS	ASPIRATIONALS/ APPRECIATORS	APPRECIATORS/ CONNOISSEURS
Audience				
Media Approach	Broad-reaching, mainstream TV	Targeted lifestyle media	Mass media & events sponsorship	High profile print media; dining focus
Current Plans	ITV1 Drama Sponsorship	New multimedia campaign ('06)	Eagle TV activity Ashes Cricket	New print campaign
Investment Approach	Within top 5 wine investors	Over-investing for growth	Heavyweight spend to establish positioning	Consistent investment

UK example: excerpt from trade presentation

Beringer F05

Beringer has performed well during F05, up 13% in volume, on back of increased investment.

Brand	FY04	FY05
Blush	~4,200	~4,500
Other CA	~500	~600
Stone	~1,100	~1,300
Founders	~1,100	~1,300
Luxury	~400	~500
Sparkling	~100	~100

Beringer Founders Estate +13%
Beringer Blush +8%
Beringer Luxury +47%
 Latest Nielsen Period (4 wks to 27 August 2005)

Beringer future growth



Key opportunity

Actions

Continuing the commitment to advertising



Keep building the excitement of the new campaign

Maintaining double digit growth for a 4th straight year on Stone Cellars



Going where wine has never gone before with PET

Pro-actively managing the CA Collection and White Zin before they reach "maturity"



Relaunch for the California Collection

Capitalizing on the bright new look of Founders' Estate



Creating a consumer connection showcase for Founders'

Each tier conducting small, separate incentive programs



One mega-incentive linked to our brand campaign

White space opportunity at \$10-14



NPD

Wolf Blass success story since 2000



Key success factors

1 Belief focus... sustained commitment

Belief in the brand
 Organisation-wide, from the very top
 Re-engagement of Wolf Blass (the man) in marketing the brand
Sales force focus
 Education
 Incentives
Clarity of proposition
 Premium quality
 Leadership, boldness, distinctiveness
 Authenticity, heritage, character



2 Investment

State-of-the-art winery
 Focus on wine quality at all price points and consumption occasions
Innovative brand building
 Capitalise on awareness
 Raise premium profile
 Build relevant presence
 Unique visitor centre experience
Consistent global brand building
 USA, UK, Ireland, Canada



3 Innovation

New products / brand architecture
 Eaglehawk
 Gold Label
 Platinum Label
 Expanded range for Red, Yellow, Grey Labels
New packaging
 Consistent and aspirational
 Screwcap pioneer
Advertising breaks mould
 Ownable proposition, not classic wine cues



Wolf Blass future growth



1. Increase awareness → Increase investment in advertising & sponsorships to grow awareness
2. Grow distribution → Utilise new brand architecture to increase breadth & depth of availability
3. Prompt trial → Rollout blockbuster consumer promotions & in-store theatre to stimulate trial and conversion
4. Seed USA → Invest in USA to build sustainable growth, introduce Red Label range
5. Build sparkling → Australian strategy to test potential

Rosemount Estate: A great brand in need of focus



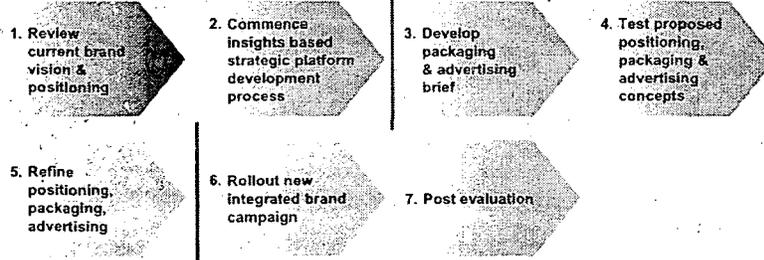
High end of competitive range for the market
Low end of competitive range for the market



	Prompted awareness	Quality	Brand Activity Index	Purchase interest
Australia	87%	7.2	43	31%
Ireland	79%	6.8	28	28%
UK	65%	6.7	20	20%
USA	32%	6.7	8	8%
Canada	29%	7.0	13	10%
Sweden	24%	5.9	4	4%
Netherlands	12%	6.9	6	3%

Note: Brand health measures show resilience in Australia

Rosemount reinvigation



July 2006

- Commence rollout of new marketing mix – global handover to regions
- Pre-sell to trade customers, influential gatekeepers
- Build internal excitement
- Integration within each market into activity calendar and local priorities
- Integrated trade & customer marketing initiatives driven by regions
- Agree brand KPOs by region

Lindemans future growth



- Review need for **pack update** and current work-in-progress
- Develop new **global creative** ensuring market needs are covered
- Establish **core product range** & focus on growing sales
- Update **brand manual** to drive global alignment
- Identify role of **premium tiers**
- Ensure **COGS** meet FWE requirements
- Develop & launch **"Big Idea" NPD**
- Evaluate & agree **Horizon 2 and 3 markets**.
- Agree long-term growth model



Penfolds future growth



Communication of the image

- Create a global communication platform
- Warm up image to engage more consumers
- Increase investment and focus on wider group of consumers

Creation of the luxury environment

- Merchandising
- Best restaurants distribution and PR programme
- Duty free and 'shop in shop'

Product range, availability, clarity

- Clear differentiation of tiers
- Growth of super resource over time
- Reinforcing the luxury tier
- Maximise Bin sales
- Thomas Hyland re-engineering for greater appeal
- Rawsons as an endorsement brand



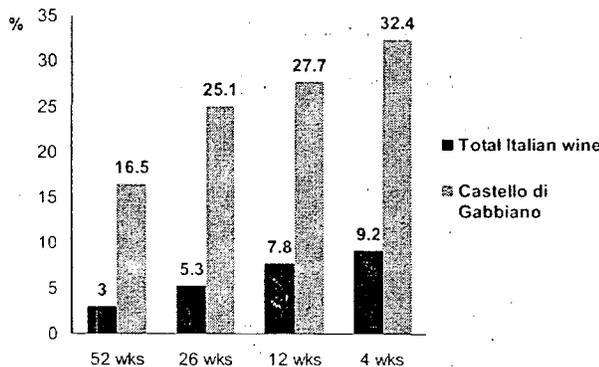
4

Tap into multiple, high-growth source geographies

- Australia
- California
- Others: Italy (pinot grigio), New Zealand (sauvignon blanc), South Africa, Chile



\$ Growth USA – AC Nielsen period to 27 August 2005



The growth in the USA of our largely outsourced Castello di Gabbiano brand highlights an opportunity in other attractive source categories.

Source: AC Nielsen to 27 August 2005 – value growth

5

Execute with excellence

- Trade spend effectiveness
- Sales force effectiveness
- Wine quality
- Supply chain flexibility and efficiency



EMEA region has embarked on 3-pronged category leadership project

Portfolio alignment	Trading term alignment	Promotion evaluation
<ul style="list-style-type: none"> • Define and differentiate brand positioning of core brands • Identify areas of opportunity in each market and key account 	<ul style="list-style-type: none"> • Understand key components of prior trading relationships • Identify win-win outcomes to drive premium wine sales by meeting both consumer and customer needs 	<ul style="list-style-type: none"> • Identify drivers behind successful promotions, in terms of mechanics, support, and timing • Develop a comprehensive methodology for assessing promotional effectiveness in future trade activity

How will we drive future growth?



- Continued global growth plan for Wolf Blass
- Continued Beringer investment/innovation in US and beyond
- Media and NPD behind Lindemans in Europe
- Stabilisation of Rosemount performance globally (F06) followed by relaunch (F07)
- Continued luxury drive (Penfolds, Chateau St Jean etc.)
- Leverage Little Penguin in Americas and EMEA
- Drive Horizon 2 wine distribution
- New innovation of scale



How will we improve returns?



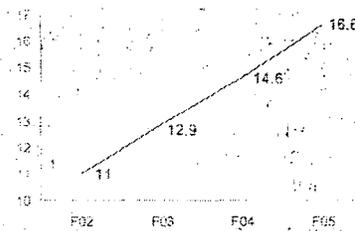
Grow top line

- Grow EBITAS via growth in premium wine, well funded brand building and cost management

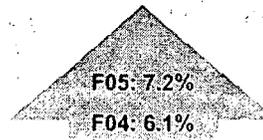
Minimise capital base

- Bank synergies – low capital investment
- Minimise growth in CCE
 - Consolidate sites
 - Dispose of non-core assets
 - Extend outsourcing to ex-Southcorp portfolio
 - Restrict inventory investment
 - No new vineyard holdings
 - Prioritise capital expenditure to high return projects

BBWE Asia Pacific Trade ROCE



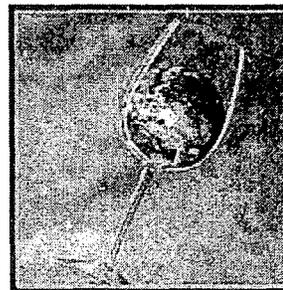
BBWE Global Trade ROCE

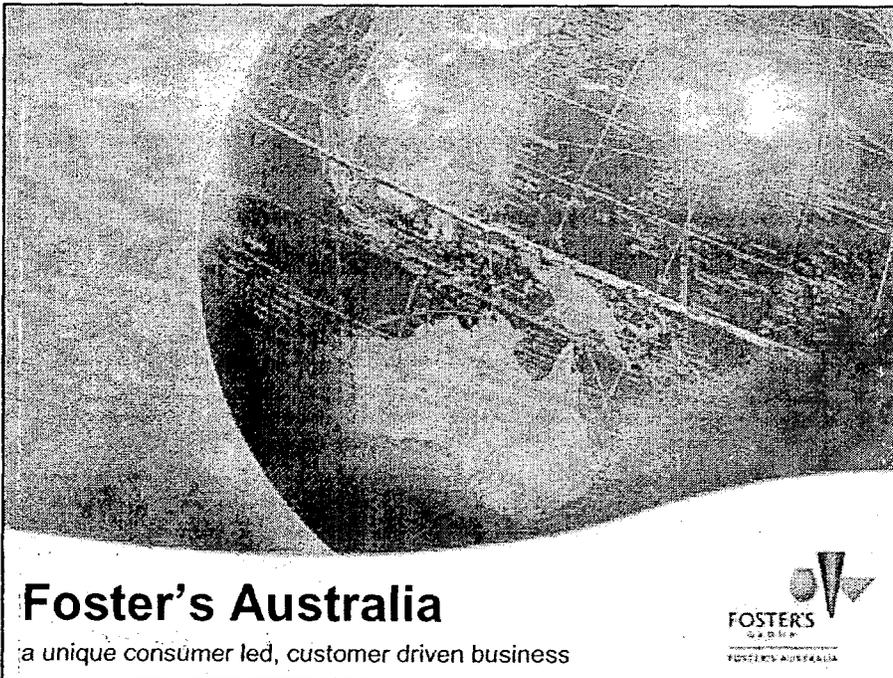
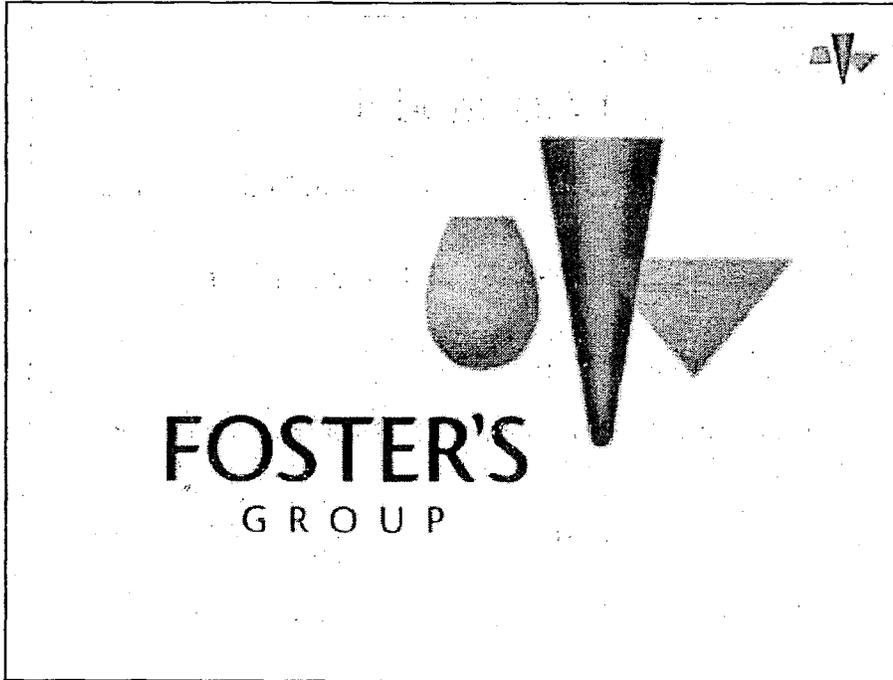


Our competitive advantages



- Our global wine marketing and innovation capability
 - Advertising & promotion spend at 8% of revenue
- The world's first global wine supply chain
 - to make investment, cost and service decisions based on consumer and market needs, as opposed to country of production legacies
- Our combined scale in Horizon 2 markets
 - Canada
 - Japan
 - Scandinavia

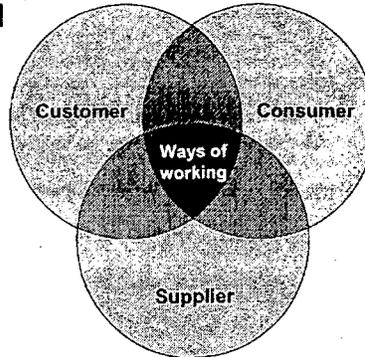




Features of the Foster's Australia model



- Unrivalled multi-beverage brand portfolio & consumer insights
- Superior customer network and service model
- Leading route to market model & supplier relationships
- Low cost business model

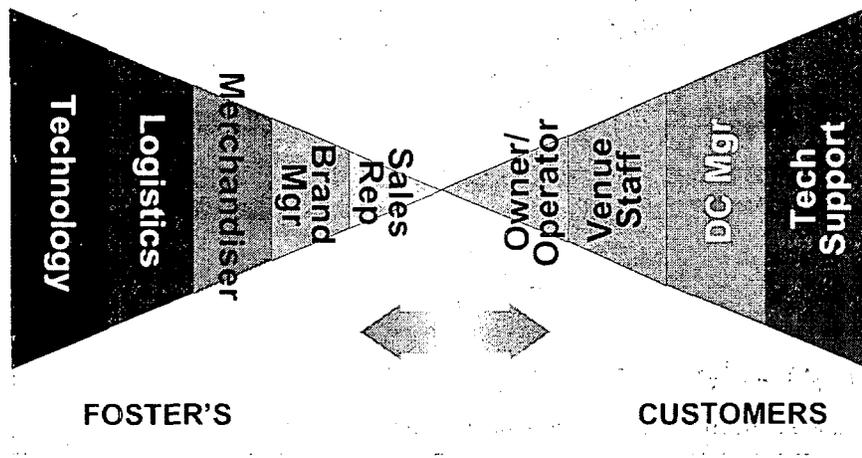


Leverage scale smartly

Creating a model for sustainable growth



From this...



Progress in building the multi-beverage model

FOSTERS
GROUP

- Created Foster's Australia on 1 July
- Created Foster's Australia steering team
- Enhancing our brand portfolio segmentation
- Developed customer-facing design
- Underway with supply chain review

Performance to date

FOSTERS
GROUP

- Solid year F05 – F06 delivering to plan
- Strong revenue and margin performance
- Solid performance on supply chain and costs
- Reinvested in core brand portfolio and innovation
- Good progress on overhead management
- Up-weighted organisational capability and skill base
- Implementation of new customer facing IT platform underway

Demonstrated success in multi-beverage

Wine:
popular table wine



Half Mile Creek - fastest growing lifestyle table wine in Australia

- Launched May 2004
- Success linked to distribution penetration
- F'05 sales - 300,000 9L cases
- Achieved 'first pour' on-premise successes

HALF MILE CREEK



Wine:
sparkling



Sparkling category leadership

- Great brands and in-store execution (stock weight and floor positioning)

Million Bubbles Day 1 September 2005

- Nationwide telephone & field blitz across all customer types
- 62,000 cases of sparkling ordered on one day (up 70% on last year)

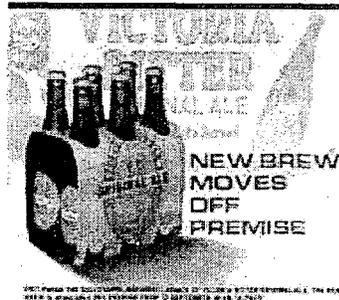


Beer: core brand line extension



Appealing to the new VB drinker

- Differentiated from core VB – has traditional (retro) cues
- On-premise launch with 1,600 venues supporting
- Now in 18 pack for off-premise

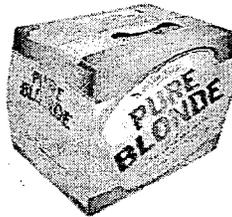


Beer: NPD innovation



Creating niche functional categories

- Targets 'healthy lifestyle' people
- Pure Blonde - fastest growing pack beer brand
– 24% volume growth vs last quarter (AC Nielsen to July 05)
- 7,000 stockists nationally,
600,000 cases in first 9 months



Beer: premium imported brand success



Category volume up 20%, Foster's volume up 48%

- Foster's Australia market share
 - 41% value and 36% volume up 6% in both

Corona: number 1 imported beer, 40% vol. growth

- Foster's portfolio driven by:
 - Corona
 - Stella Artois
 - Asahi
 - Miller Genuine Draft
 - Kronenbourg and the Belgian specialities



(Source: AC Nielsen MAT August 05)

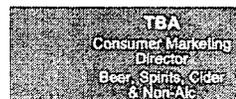
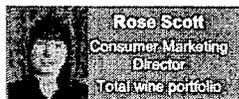
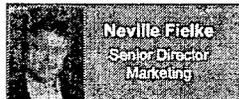
Foster's Australia Steering Team



Building a sustainable growth model



Consumer & Customer Marketing Team



Foster's Australia Steering Team





John Murphy
Managing Director

Consumer & Customer Marketing Team

Marketing experience across consumer packaged goods companies like HJ Heinz and Mars

Worked across various territories & roles in beer & wine sales, more recently led BBWE wine marketing



Neville Fielke
Senior Director
Marketing

NZ and Aust. advertising experience and marketing leadership roles (global & domestic) for SRP last 9 years



Trevor Croker
Customer Marketing
Director



Rose Scott
Consumer Marketing
Director
Total wine portfolio

TBA
Consumer Marketing
Director
Beer, Spirits, Cider
& Non-Alc.

Foster's Australia Steering Team



Customer Facing Team



Phil Cronigan
Sales Director
Integrated



Michael East
Sales Director
Destination



Alice Crowley
Sales Director
Local



Mel Sutton
Sales Director
Connect

Foster's Beverage Services



Geoff Jones
Foster's Beverage
Services Director

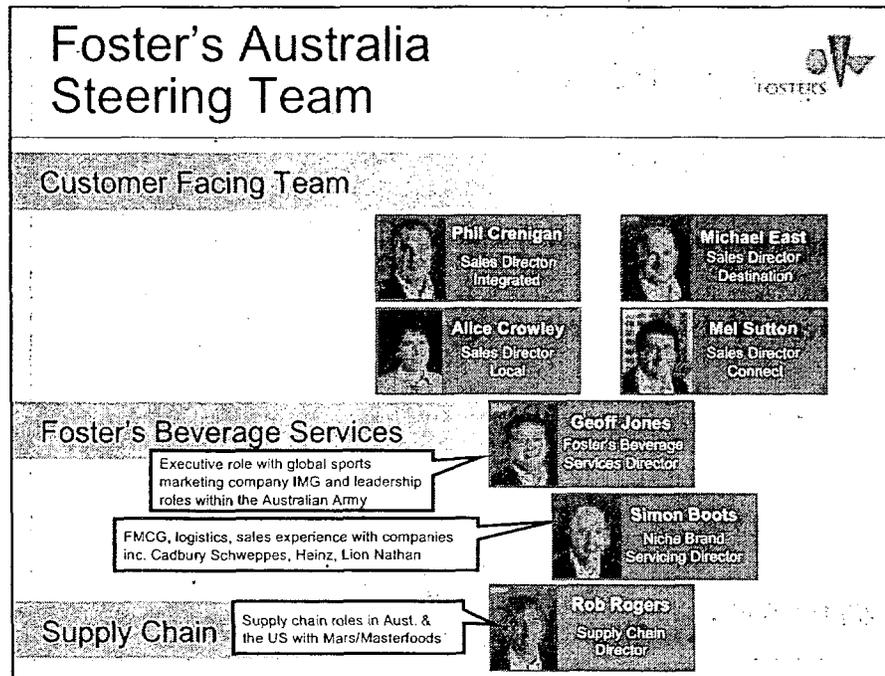
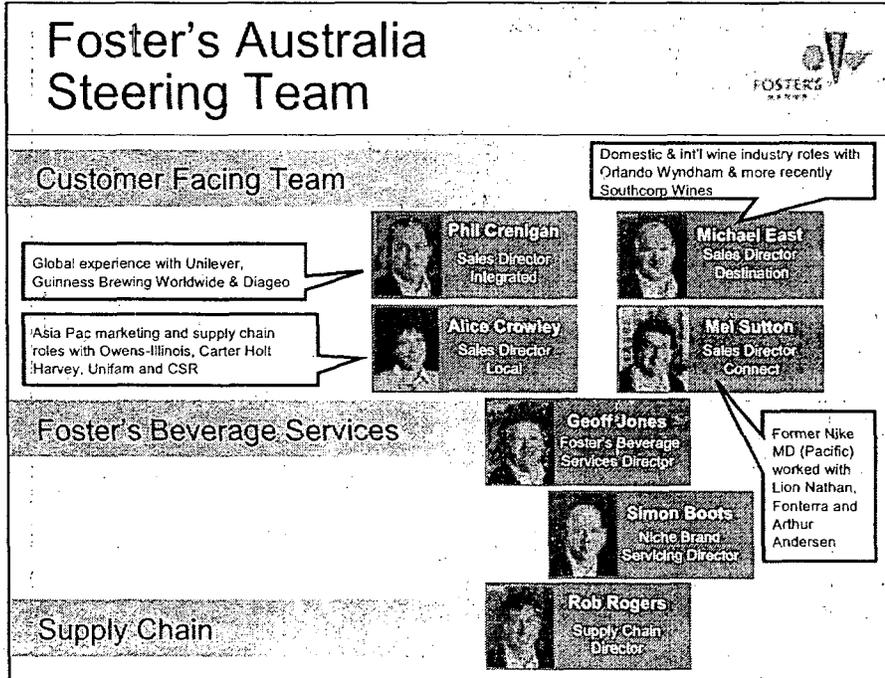


Simon Boots
Niche Brand
Servicing Director

Supply Chain



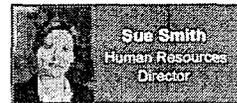
Rob Rogers
Supply Chain
Director



Foster's Australia Steering Team



Finance, Business Development, Communications & Human Resources

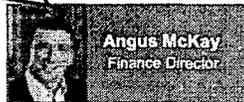


Foster's Australia Steering Team



Finance, Business Development, Communications & Human Resources

International experience in the beverage industry including with Diageo & NZ Milk



FMCG experience across finance, sales & gen. mgt with McCormick Foods, Lion Nathan & BBWE



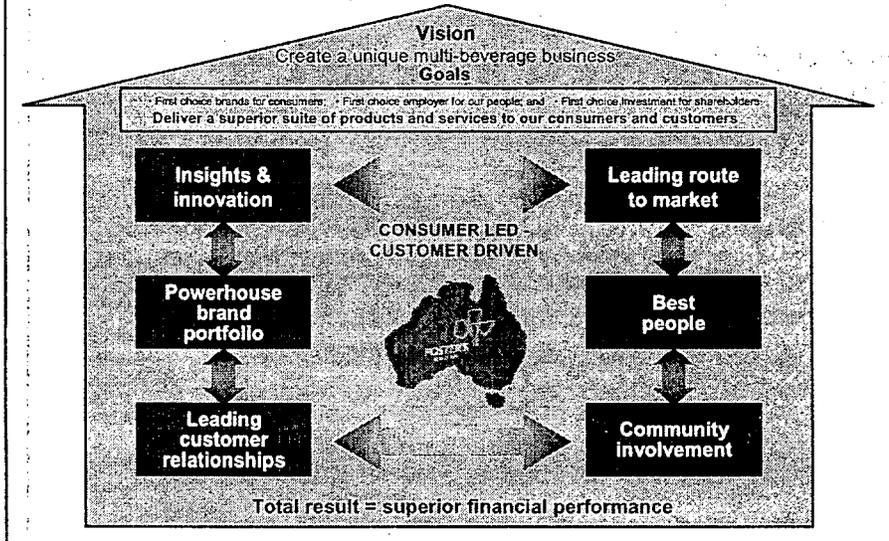
Public affairs experience across alcohol, telecommunications, energy & water sectors



International HR experience with companies inc. GE and Colonial Financial Services

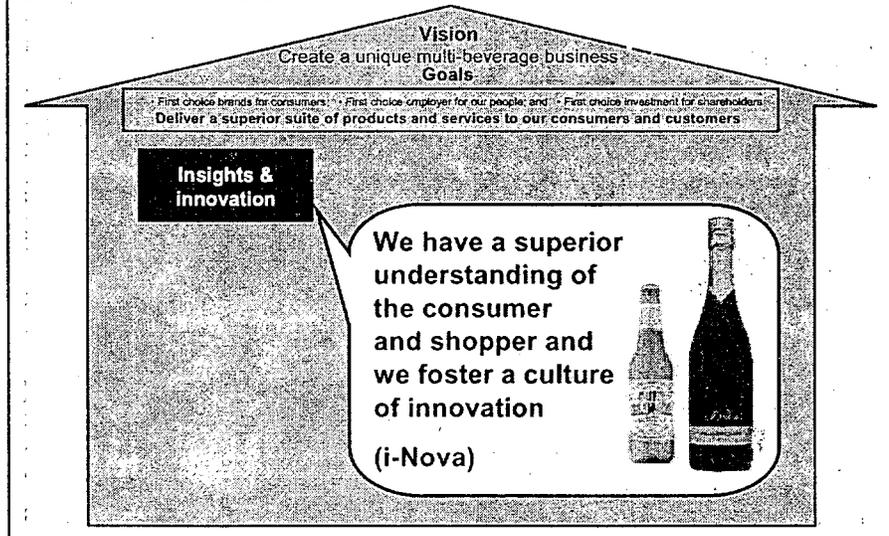
Consumer led, customer driven model

Building sustainable growth



Consumer led, customer driven model

Building sustainable growth



Consumers are drinking a broader repertoire creating opportunities

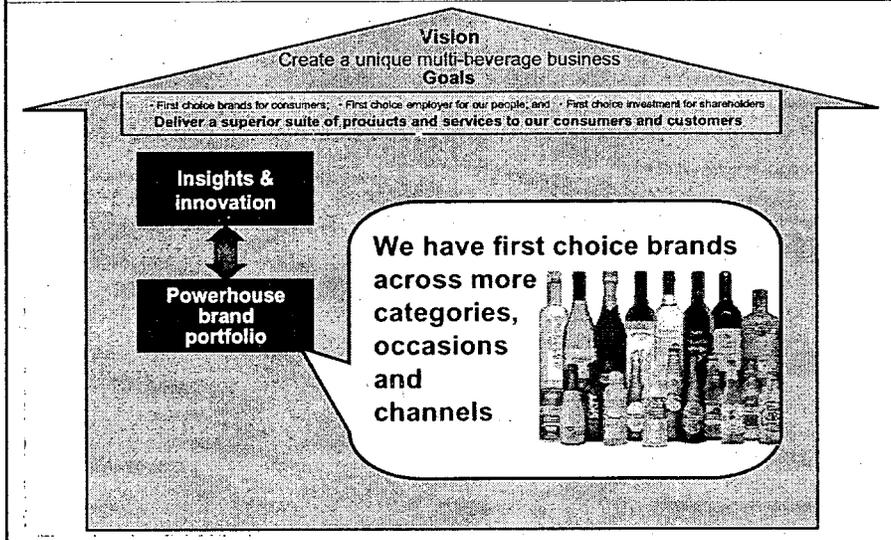


Alcohol consumption			
	2001	2005	2009F
Single category only	37%	29%	18%
Multi-category	63%	71%	82%

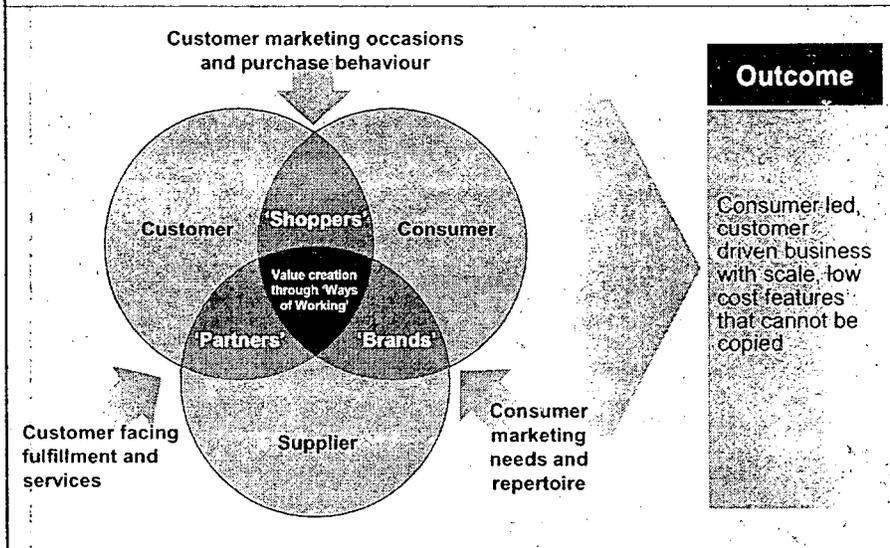
Source: Roy Morgan – consumed last 4 weeks MAT July 2005

Consumer led, customer driven model

Building sustainable growth



Smart ways of working between customers, consumers and supply chain to drive growth

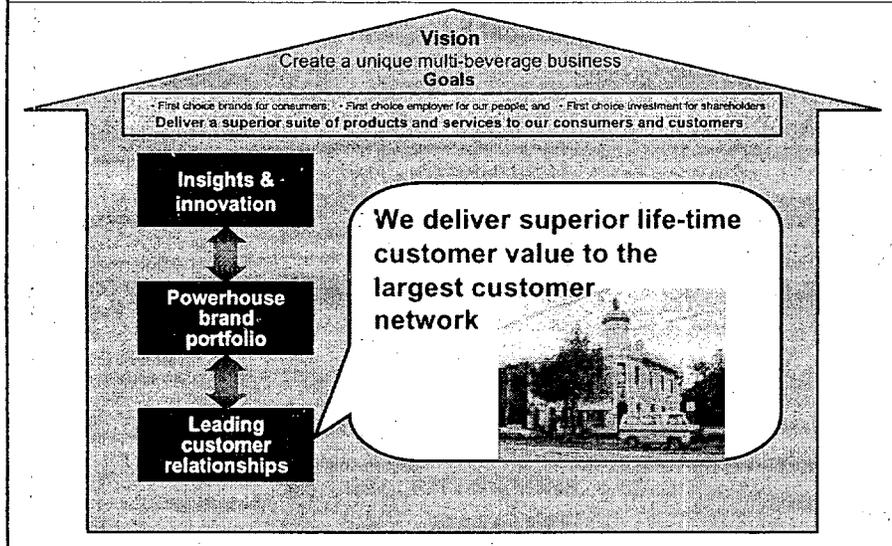


Differentiation through consumer led, customer driven capability

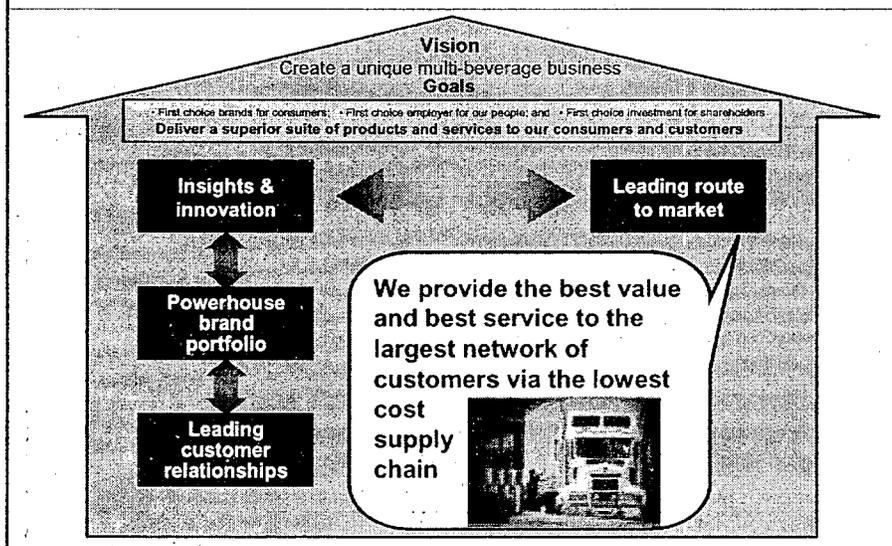


- Our scale enables investment in greater understanding of consumer and shopping insights
- Enables solutions that drive higher category participation and weight of purchase (eg: bundling for multi-beverage shopping occasions)
- Brand portfolio segmentation within and across a variety of categories
- Executing aligned priorities enables world class portfolio management
- Greater ability to help customers maximise their service offering to increase ease of shopping and trading-up (eg: wine bar)

Consumer led, customer driven model
Building sustainable growth

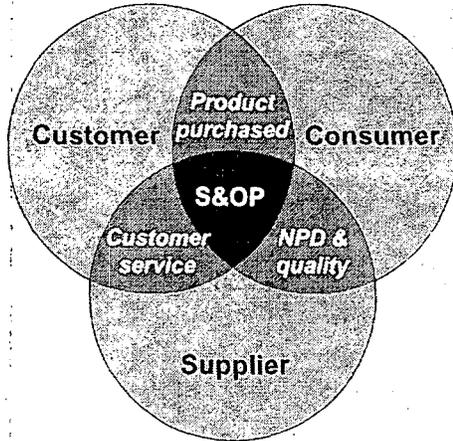


Consumer led, customer driven model
Building sustainable growth



Consumer led, customer driven model

Building sustainable growth

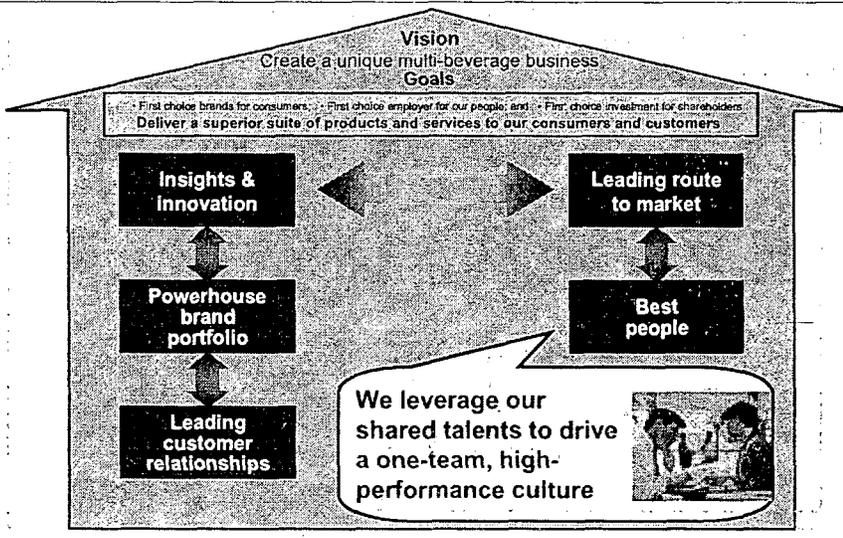


- Delivering lowest cost
 - Implement learning's from Yatala and Best Practise
- Optimise national footprint and network - utilise assets for multi-beverage
- Drive packaging simplification, efficiencies, and flexibility
- Leverage our supplier relationships

Best value - lowest cost supply chain

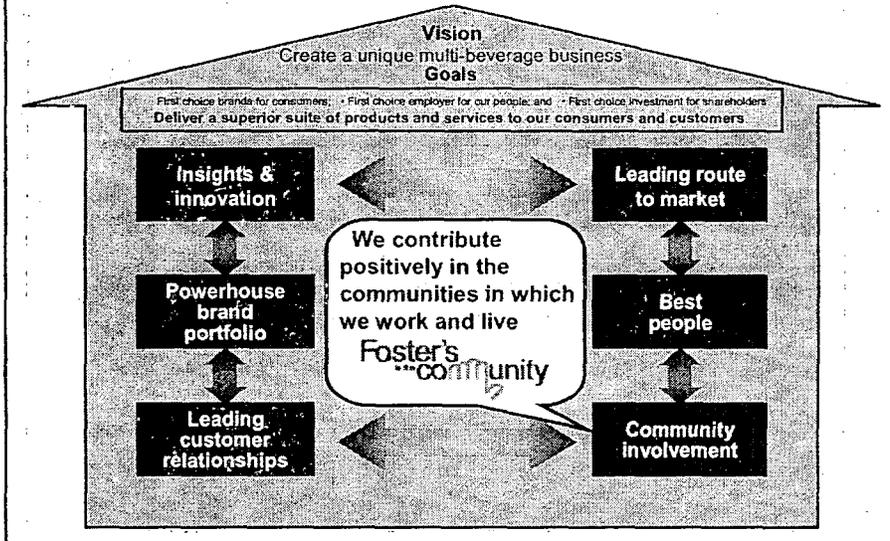
Consumer led, customer driven model

Building sustainable growth



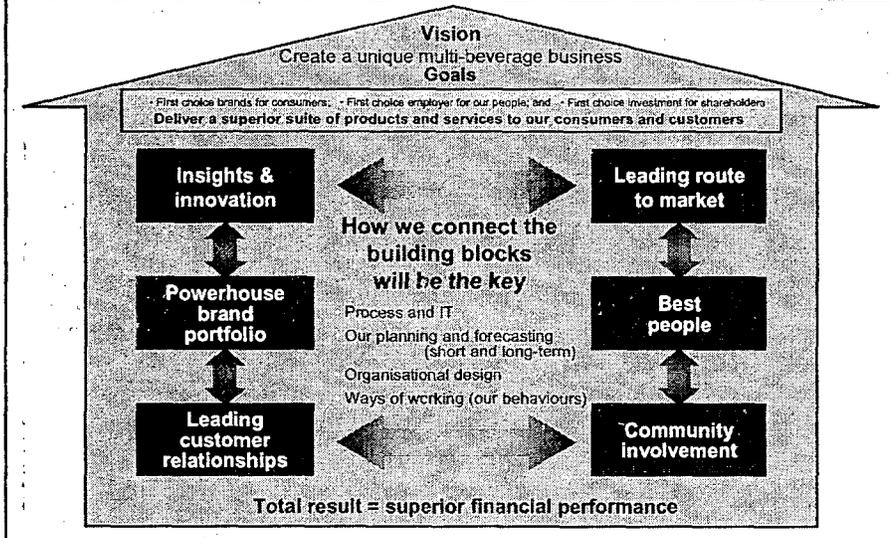
Consumer led, customer driven model

Building sustainable growth



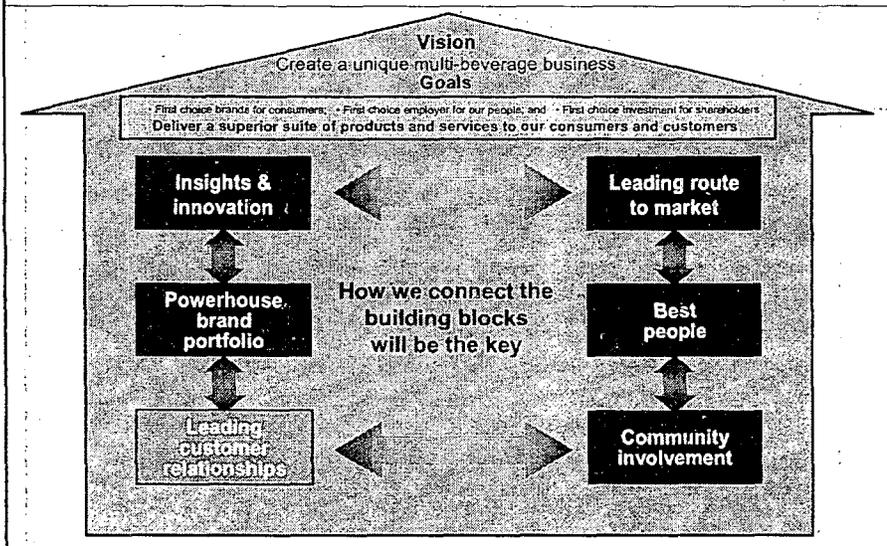
Consumer led, customer driven model

Building sustainable growth



Consumer led, customer driven model

Building sustainable growth



New customer facing design



Four specialist customer teams

Integrated	Destination	Local	Connect
Phil Crenigan	Michael East	Alice Crowley	Mel Sutton

Supported by a new business that delivers superior quality services

Foster's Beverage Services
Geoff Jones

Merchandising and in-venue support services
(Low cost / flexible model)

New customer facing design



Four specialist customer teams



Supported by a new business that delivers superior quality services

**Foster's
Beverage
Services**

Merchandising and
in venue support services
(Low cost / flexible model)

Integrated customer segment



Definition	Includes customers with whom we typically have a relationship at many levels, across a full suite of service offerings
How we service	Typically like functions in both businesses work closely together on solutions across key account management, central buying, comprehensive trading terms, scan data, and merchandising.
Example	Large retailers like Woolworths, Coles Myer and Ritchies (aspire)
Leader	Director Sales – Phil Crenigan

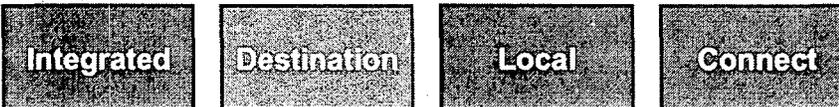
Portfolio execution being achieved



New customer facing design



Four specialist customer teams



Supported by a new business that delivers superior quality services.

Foster's Beverage Services	Merchandising and in-venue support services (Low cost / flexible model)
-----------------------------------	--

Destination customer segment



Definition	Customers where the venue provides a unique consumer experience
How we service	We provide business solutions and insights around beverage and food matching; menu design; venue marketing; bar and venue design, education and training; precinct expertise
Example	Fine wine retailing; fine dining restaurants; five star hotels; casinos; resorts; theme bars
Leader	Director Sales – Michael East

New customer facing design



Four specialist customer teams



Supported by a new business that delivers superior quality services

Foster's Beverage Services

Merchandising and in-venue support services
(Low cost / flexible model)

Local customer segment

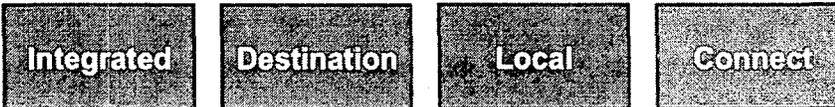


Definition	Your traditional 'local' hotel or club, including groups & banners, on and off premise. Relationships with the owner/operators are key.
How we service	Executed at a local level, services and support based on local needs in their immediate geographic area, local trading environment, competitor and community issues are important.
Example	The local metropolitan / suburban hotel and bottle shop
Leader	Director Sales – Alice Crowley

New customer facing design



Four Specialist Customer Teams



Supported by a new business that delivers superior quality services

Foster's Beverage Services

Merchandising and in-venue support services
(Low cost / flexible model)

Connect customer segment



Definition	Small customers, geographically remote, or difficult to reach
How we service	Remote nature means they require technology based connections with us across access tools like telephone and web based solutions. Many are currently being serviced by wholesales and other indirect channels
Example	Remote (regional) hotels, clubs, cafes, restaurants, bistros, and other small customers
Leader	Director Sales – Mel Sutton

New customer facing design



Four Specialist Customer Teams



Supported by a new business that delivers superior quality services

Foster's Beverage Services	Merchandising and in-venue support services (Low cost / flexible model)
-----------------------------------	--

Foster's Beverage Services



Consumers & shoppers
Customer solutions

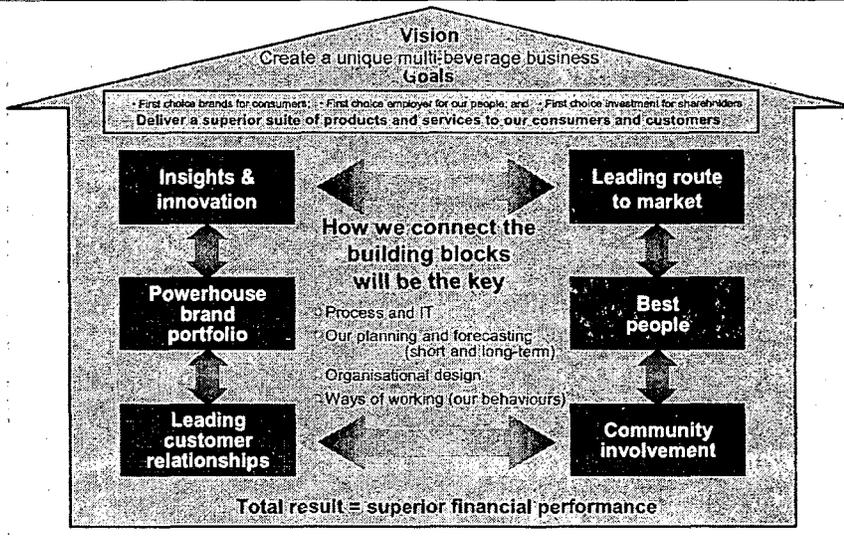
Integrated **Destination** **Local** **Connect**

Foster's Beverage Services

Definition	Services that are common across all four customer groups. Service requirements as defined by the Sales teams to support / compliment their product / brand offering to customers.
How we service	As a centre of excellence for service execution, we will be the lowest cost option for any quality or type of service required. Outsourcing via FBS will occur, where appropriate, strategically & economically.
Example	In-store merchandising, stock refill management, instore / venue promotional execution support, staff training, POS systems & support, procurement aggregation, etc.
Leader	Director FBS – Geoff Jones

Consumer led, customer driven model

Building sustainable growth



Consumer led, customer driven model



Getting the model right delivers a business that is not only sustainable but also flexible and adaptable

It will deliver:

- A unique / non replicable business model
- Dynamic response to the continually changing market place: service offerings, portfolio offerings, field resources (direct & indirect), and cost to serve
- Acquisition case synergies: combination of resourcing, distribution leverage & procurement
- Pre-acquisition synergies: CUB & BBWE (back office opportunities)
- Optimised logistics & warehousing solutions (eg one warehouse and one truck)
- Leading technology platform that is scalable and dynamic

Building sustainable growth

Evolving to the new model



- Maintain business continuity
- Identify the 'white spaces'
- Sequence change intelligently
- Customer facing organisation in place 1 February 2006
- Complete brand portfolio review by 1 November 2005
- Supply chain model underway, builds on good work to date
- Ongoing consumer led, customer driven culture, and capability plan in place

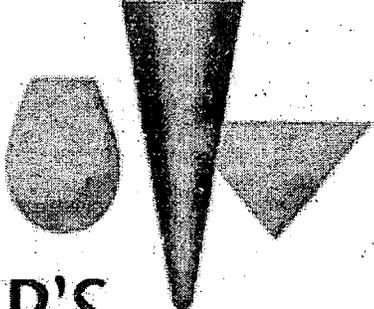
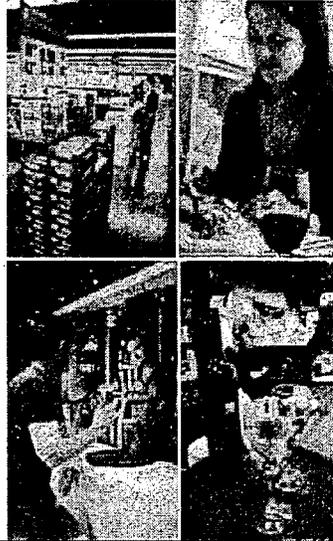
Building sustainable growth

A unique consumer led, customer driven business



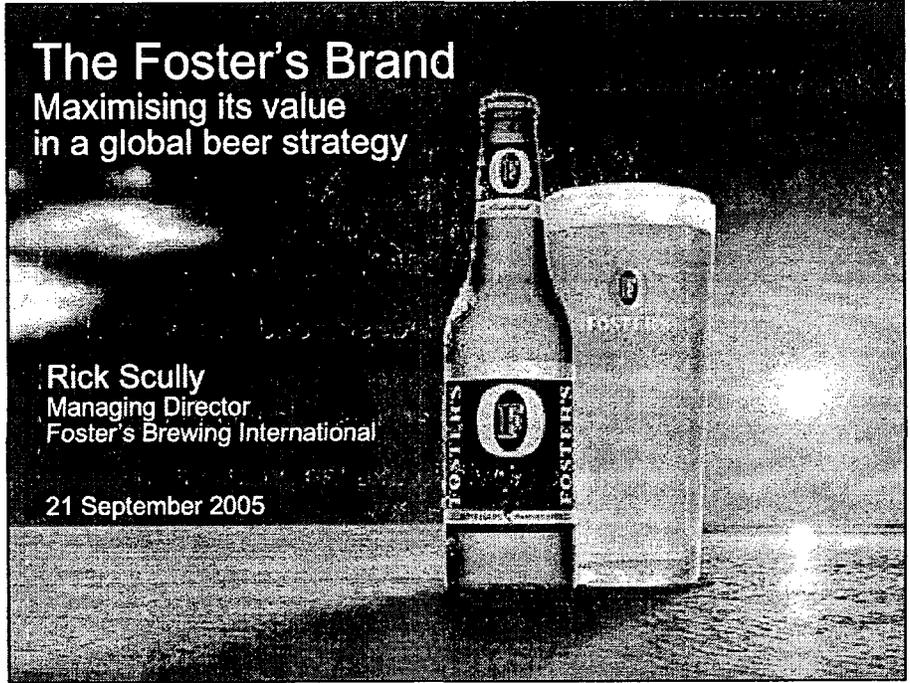
A multi-beverage business model to achieve sustainable growth into the future

- Unrivalled multi-beverage brand portfolio & consumer insights
- Superior customer network and service model
- Leading route to market model & supplier relationships
- Low cost business model leverages our scale



FOSTER'S
GROUP





The Foster's Brand
Maximising its value
in a global beer strategy

Rick Scully
Managing Director
Foster's Brewing International

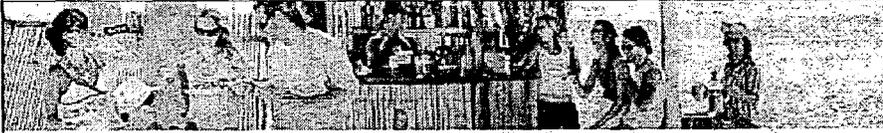
21 September 2005

Foster's facts



- Foster's is an iconic brand - our 'Brand Australia'
- Foster's is the 7th highest selling international premium beer brand in the world
- Brand awareness and recognition is higher than position
- Volume growth for 11 consecutive years
- Foster's is available in more than 150 countries
- 100 million cases consumed each year
- Foster's brand way of working – the Angel philosophy is working
- Foster's innovates and is agile
- But returns are inadequate and must be improved

Contents



- Landscape of the global beer industry and its potential evolution
- Position of the Foster's brand and its role within FGL
- Outline the FGL strategy within this landscape and FBI's role in delivering the strategy

Summary of global beer market landscape



- Global beer consolidation over last 15 years: steady in first 10 years
- **Rapid acceleration** over last 5 years, increasingly involving regional or global rationalisation
- Global beer **landscape now dominated by 4 main global players**, with several strong regional players and a range of aligned and independent domestic operators
- **Consolidation will continue**, largely driven by the Big 4 seeking to fill strategic gaps in their portfolios
- Beer **consumption is negative to flat**
- Major brewers **earnings are suffering**

Market context



Global beer consolidation is largely underway, and will continue more aggressively

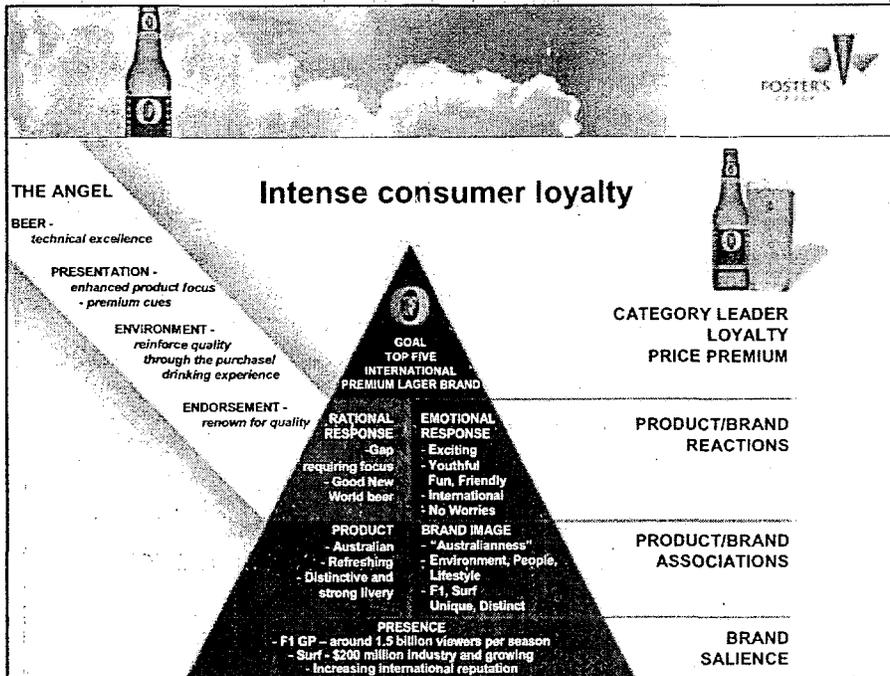
Foster's is a top 7 international brand, but faces challenges

- Industry decline
- Competitive marketplace
- Limited distribution, due to lack of global infrastructure

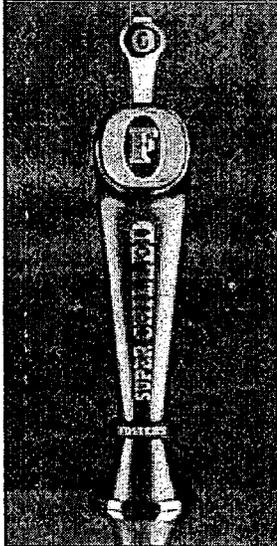
Foster's brand continues to outperform category

Foster's brand licenses in major markets are held in long term arrangements, with economic shortcomings

...where to from here?



Angel at work



- Foster's brand is leading draught beer Innovation globally
- Foster's is driving and ahead of "cold beer" phenomenon
- Foster's owns or has licensed:
 - Super Chilled
 - Streamline
 - Head Injection Technology
 - Hit GT (fast pour)

Focused growth as an IP based player



Improve existing partnerships

USA

- Strong Foster's brand in USA is essential
- Angel innovations just underway
- Signs of partner engagement and firm commitment behind business
- Improved arrangements with North American partner
- Discussions underway to improve business model

IP-based player contd...



Improve existing partnerships

UK / EUROPE

- Foster's brand has a strong position in UK, and growing footprint in Europe
- Taking more active role with partners to drive brand distribution
- Working together to enter new growth markets
- Joint efforts on product and technological development

IP-based player contd...



Expand existing "controlled" markets and into new unaligned territories

GREATER ASIA

- New markets open to us
- Review of opportunities to expand Foster's brand presence in region through strategic alliances with strong regional players
- Accessibility to distribution capability beyond current infrastructure

IP-based player contd...



Expand existing "controlled" markets and into new unaligned territories

CENTRAL & SOUTH AMERICA

- Growth markets
- Profitable development of Foster's brand through new licensing arrangements.
- Develop strategic alliances with strong players, at market royalty rates

Focused growth as an IP-based player



Pursue NPD & Innovation

- Look to extend Foster's brand into beer categories that cater for changing consumers tastes and drinking patterns, at higher margin / royalty rate

Streamline & lower costs

- Review opportunities to extract value from brand expenditure
- To refocus into other geographies

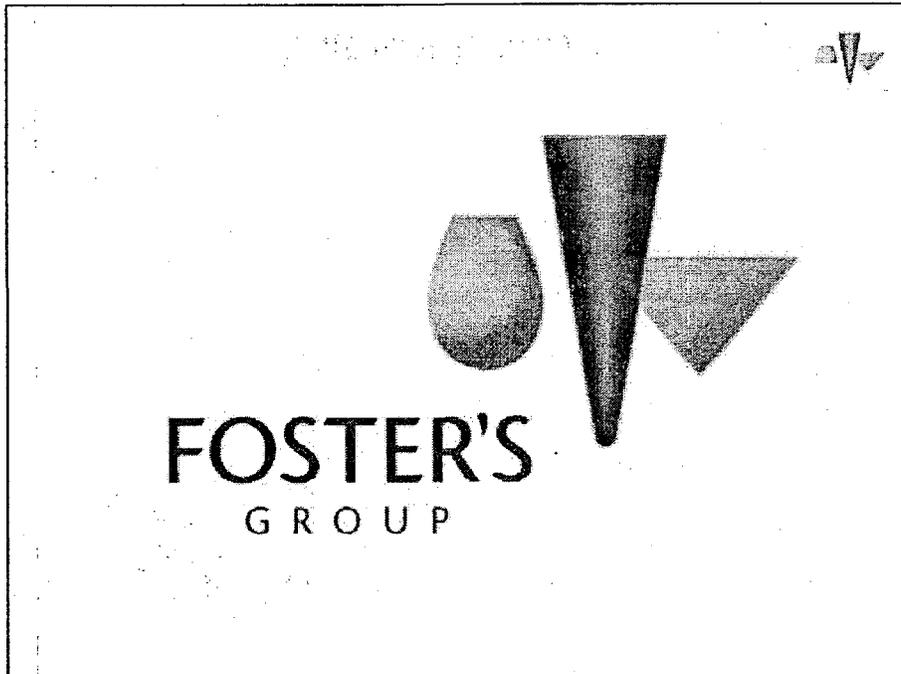
One Foster's approach

- Relaunch Foster's brand in Australia, in line with global international positioning

Summary



- Global beer consolidation has seen rapid acceleration over the past 5 years, and set to continue. FGL has not been a participant
- FGL has a strong international premium beer brand, and ownership of "Brand Australia"
- FBI has been charged to extract maximum value from the Foster's brand
- FBI will more strongly pursue an IP-based platform
- Opportunities and bold options exist for renewed focus behind the brand
- Ensure continued equity improvement, and better returns





Global Supply Chain

Randolph Bowen,
Senior Vice-President Global Supply Chain
Foster's Wine Estates

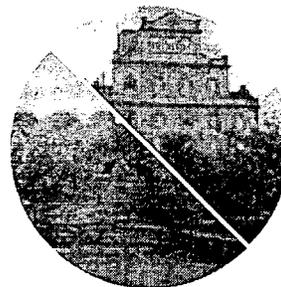
Rob Rogers
Director Supply Chain Operations
Foster's Australia

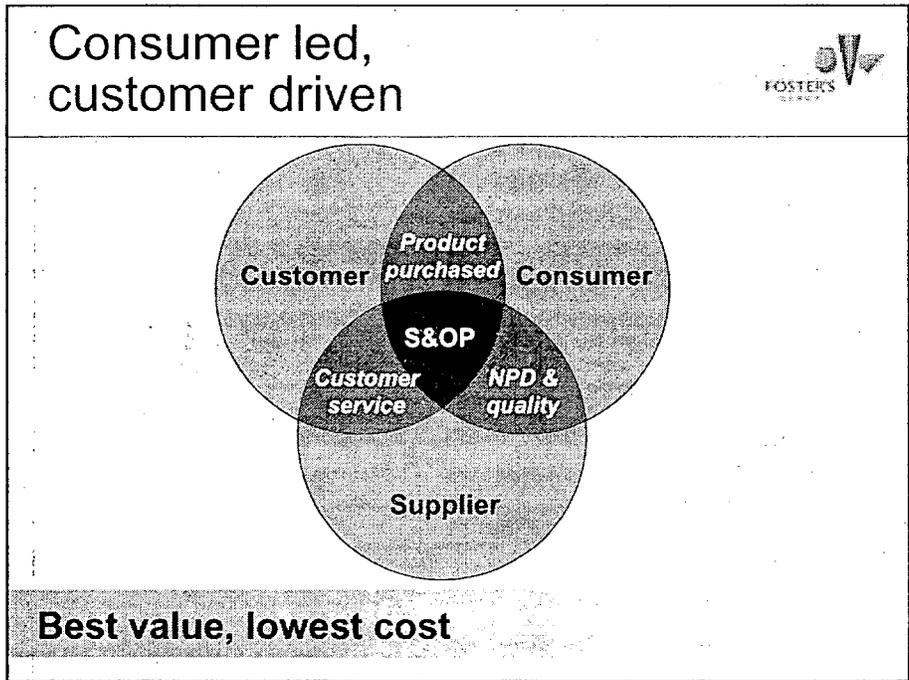
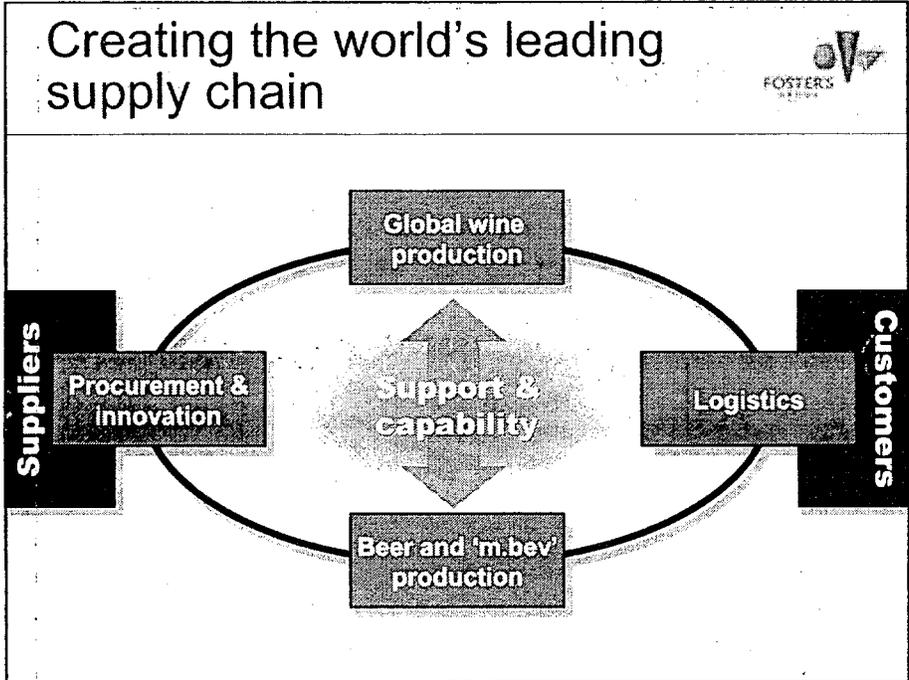
Creating the world's leading supply chain



Agenda

- Global procurement & innovation capability
- Global beverage production
 - Lowest cost
 - Risk mitigation
 - Best quality
- Tailored customer solutions
 - Logistics
 - Distribution





Procurement

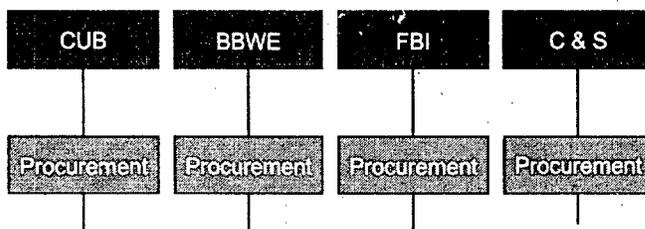


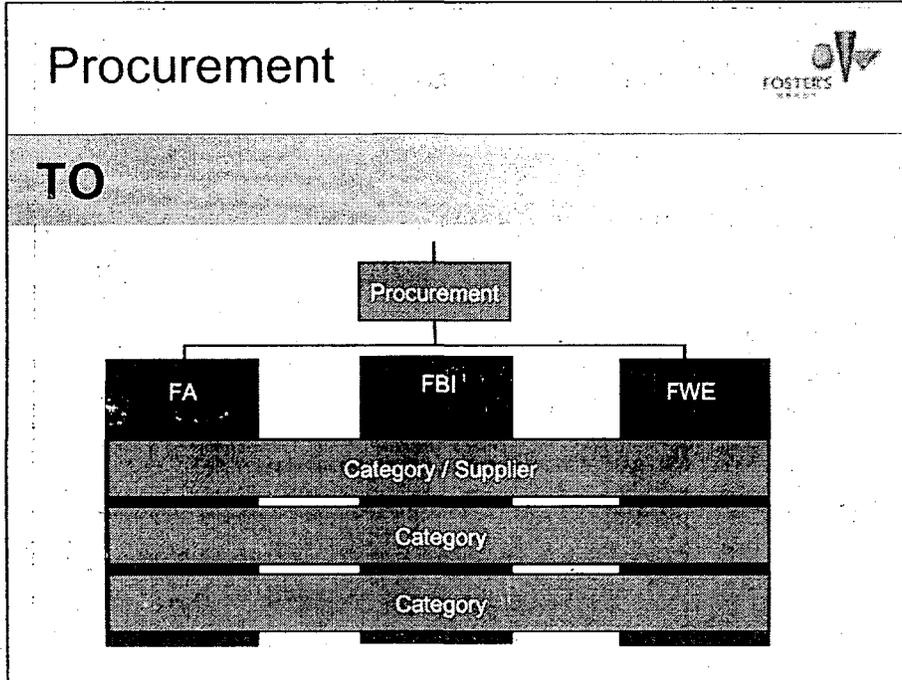
ORGANISING FOR SUCCESS

Procurement



FROM





Procurement

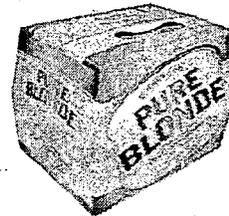
	General	Key Suppliers	Partners / Integrated
Strategy	Commodity	Key materials / services	Value added / innovation
	Lowest price	Cost / value	Cost / value / innovation / partners
Examples	Chemicals	Malt	Key packaging suppliers
	Non critical spare parts	Hops	
	Site services	Caps / lids	Labels
	Utilities	Cork	Logistics
Approach	Consolidate	Account management	Partnership & innovation

Source: Tony Lendrum, Strategic Partnering

Procurement - Delivering



- Vendors
 - Chemical 'Auction' – 20% cost reduction
- Suppliers
 - Consolidated volume on wine with Southcorp integration
- Potential partners
 - Shelf-ready packaging
 - Southcorp domestic fulfillment
 - New primary packaging formats



Procurement



- One Foster's
- Differentiated approach by category
- Leveraging scale
- Key partners helping drive innovation

OUTCOMES

Production



Key features of the global supply chain

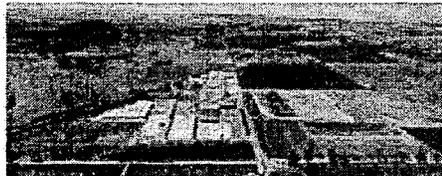
- Product strategy and long-term supply control
- Scale economies in manufacturing and purchasing
- Enhances management of capital employed
- Optimal supply chain integration across Foster's Group
- Global financial control and reporting
 - Prioritisation of CAPEX and resource allocation
- Ensuring quality and differentiation
- Create a safe and inspired workplace

Creating an unassailable lead in product quality, cost & service

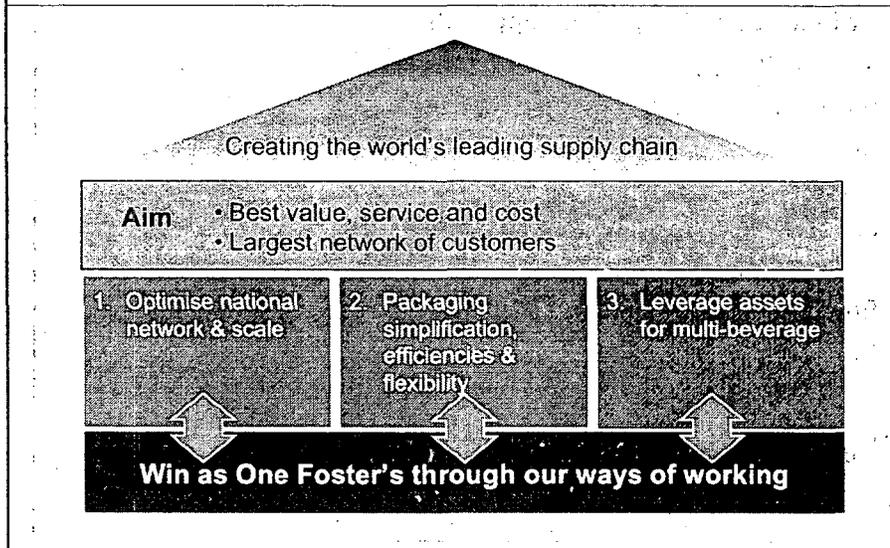
Key milestones achieved



- Wolf Blass winery upgrade
- Yatala expansion
- Karadoc upgrade
- Implementation of Manugistics



Beer: supply management strategy



Beer production network



- Maintaining lowest cost
 - Implement learning's from Yatala and best practise
- Optimise national footprint and network for lowest cost
 - Total delivered cost
- Utilise assets for multi-beverage
- Drive packaging simplification, efficiencies and flexibility

Global wine supply chain is a key competitive advantage



Wine Supply Chain Strategy	Global Processes	Maximise Economies and Flexibility
<ul style="list-style-type: none"> Integrated production platform leveraging scale Global product strategy developed with regions Strategic supply framework Agreed service levels 	<ul style="list-style-type: none"> Globally consistent reporting, metrics, transparency and control Global scale and leverage best practice expertise/systems 	<ul style="list-style-type: none"> Scalable global hub servicing many selling units Market leading customer solutions Flexible supply base aligned to global demand Minimum inventory levels Global procurement
<ul style="list-style-type: none"> Global wine supply chain to optimise the cost/quality of products for the regional businesses Regional businesses freed to focus on in-market performance 		

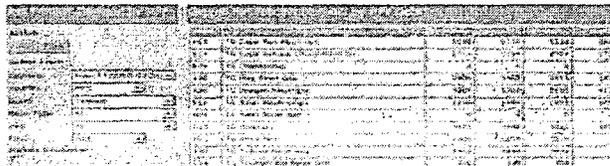
Wine supply management strategy



Forward demand planning



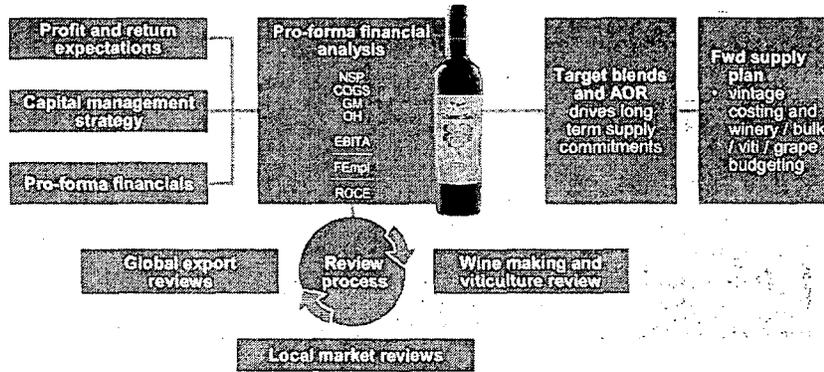
- Demand planning is the single biggest contributor to business risk in the wine and spirits supply cycle
 - Also critical for asset maximisation in beer
 - We are addressing this risk through rigorous forecast generation, review and risk weighting processes
 - Underpinned by mathematical models in Manugistics
 - Validated against analysis of category growth Vs industry history and projections
 - Risk-weighting is applied differently for mature brands vs NPD, luxury vs commercial
 - Implementing common planning systems across Foster's supply chain
- = Best possible forward sales projections**



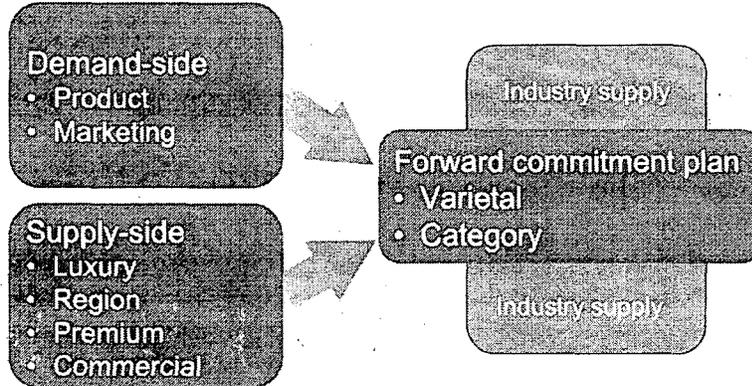
Product strategy



- Pro forma P&L + balance sheet by product
- Blend recipes based on long-term sustainable grape prices
- Ensure intake plans "work" across the wine cycle rather than relying on low prices and surplus.

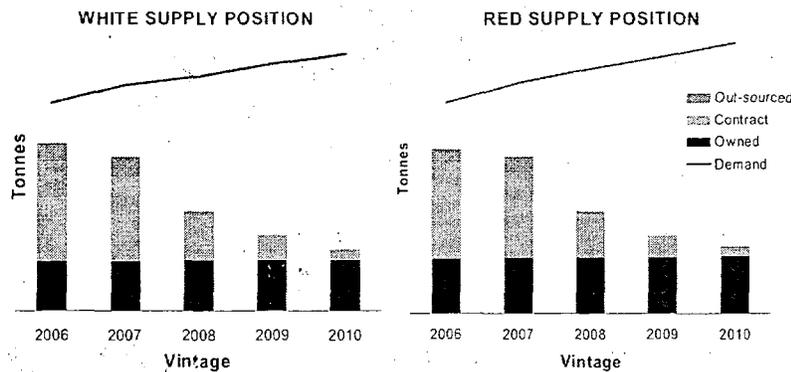


Risk-weighted forward commitments



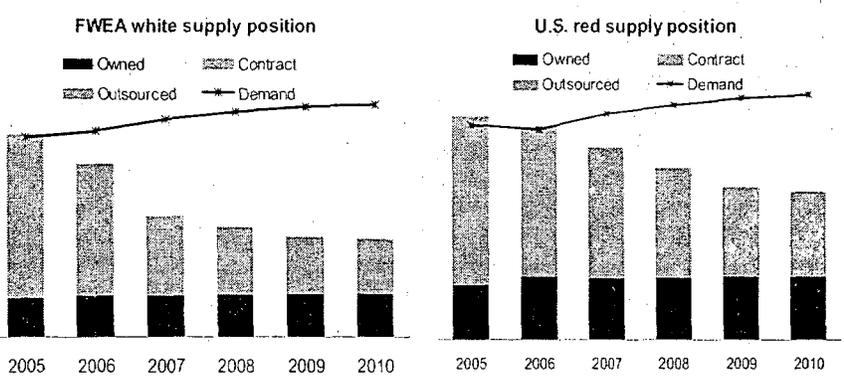
Analysis shows that we are better to be short than long in supply position to reduce risk in industry cyclical excesses.

FWE Australian supply-demand



The split of fruit supply sources may change as requirements for 2006 onwards are reviewed

FWE American supply-demand

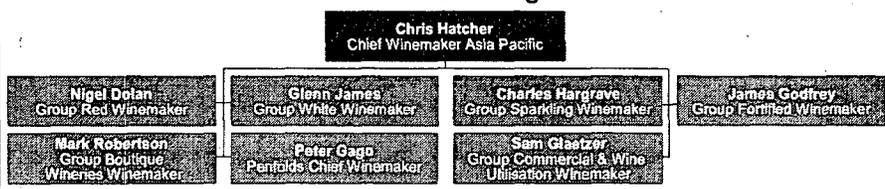


The split of fruit supply sources may change as requirements for 2006 onwards are reviewed

Ensuring quality & differentiation



Asia-Pacific winemaking structure



Reward for quality

- 2003 Jimmy Watson Trophy (Saltram's The Eighth Maker)
- 2004 Winestate Wine Company of the Year – Southcorp
- 2004 FWE Wine Show Success:
 - 38 Trophies and 239 Gold Medals*
- 2005 Wine Enthusiast Winemaker of the Year Nominee
 - Peter Gago, Penfolds



* Further details, including classes, can be provided if required.

Realising wine synergies

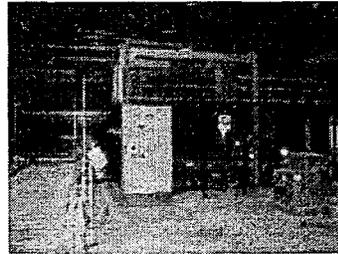
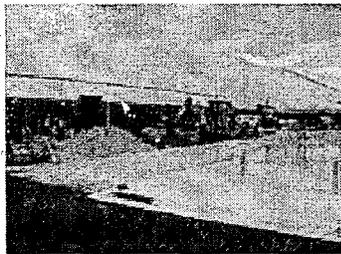


GOAL	COMMENTS
Strengthen supply planning disciplines	On track for all systems live December 2005
Optimise fruit sourcing, blend structures, age of release	Product strategy complete on major ex-Southcorp brands by end 2005. Increase flexibility in cropping to balance supply.
Introduce outsourcing to ex-Southcorp portfolio	Phase in post product strategy. Sell non-core vineyards.
Optimise wine processing	Selling one Hunter and one Coonawarra winery. Consolidating to larger sites.
Optimise packaging	New Wolf Blass facility commissioned in October 2005. Integrated IT systems (by June 2006) will release further benefits for packaging.
Explore further opportunities	In-market bottling. Improve economics of cask production. More top-end fruit to capture opportunity at high-end of SRP range.

Packaging consolidation



- New Wolf Blass packaging facility on track to commence operations in October
- Optimisation of wine packaging lines being reviewed in Australia
- Consolidation of bottling in US. From 4 sites to a highly efficient operation in Napa.



Packaging flexibility & innovation



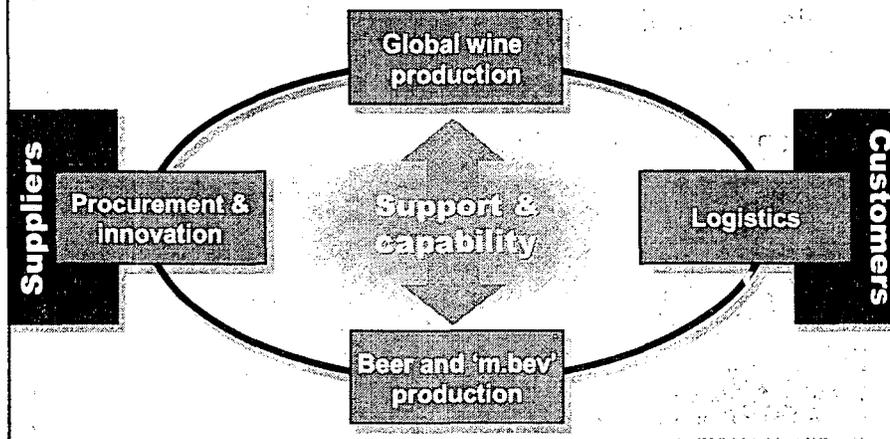
- Expanding in-market packaging for specific SKU's (wine, spirits etc)
 - Customise at the latest possible point
 - Maximises flexibility and inventory management
- Use lines for multi-beverage capability to maximise utilisation and efficiency
- New pack format flexibility coming to market
 - 18 Pack VB Original Ale
 - 500mL VB can
 - 6 pack sparkling
 - PET for wine
- Shelf-ready packaging being trialled / implemented
- Channel specific offerings
- New, innovative pack formats to be launched in next few months



Tailored customer solutions



Global co-ordination, local execution
Australia the lead market



Leading route-to-market



- We provide the best value and best service, to the largest network of customers, via the lowest cost supply chain



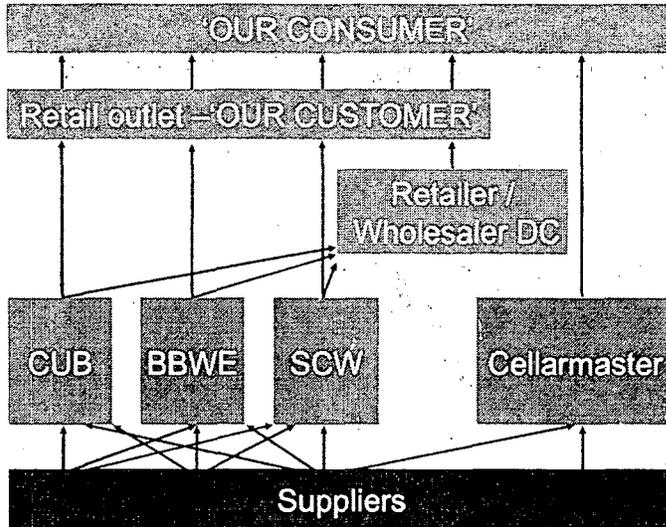
Actions to deliver lowest cost



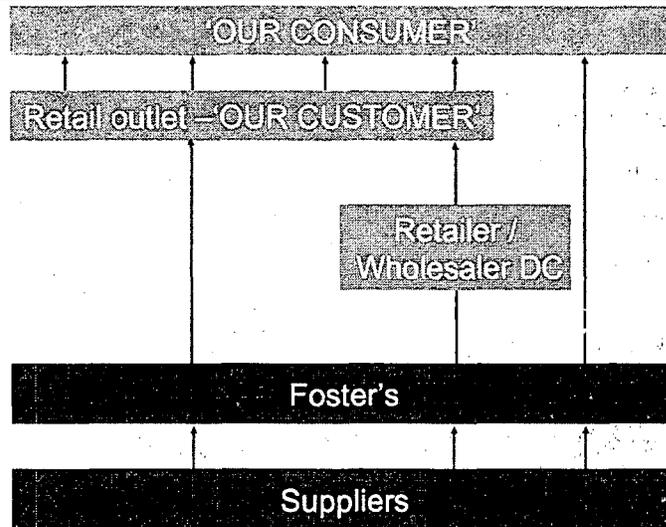
- Work with suppliers to optimise inbound
- Rationalise warehousing network
 - DCs 41 to 14
- Simplify linehaul
- Right sized, customised delivery
- Consolidate import/export and ocean freight



Individual supply chain networks



One Foster's supply chain



Tailored customer solutions - being development



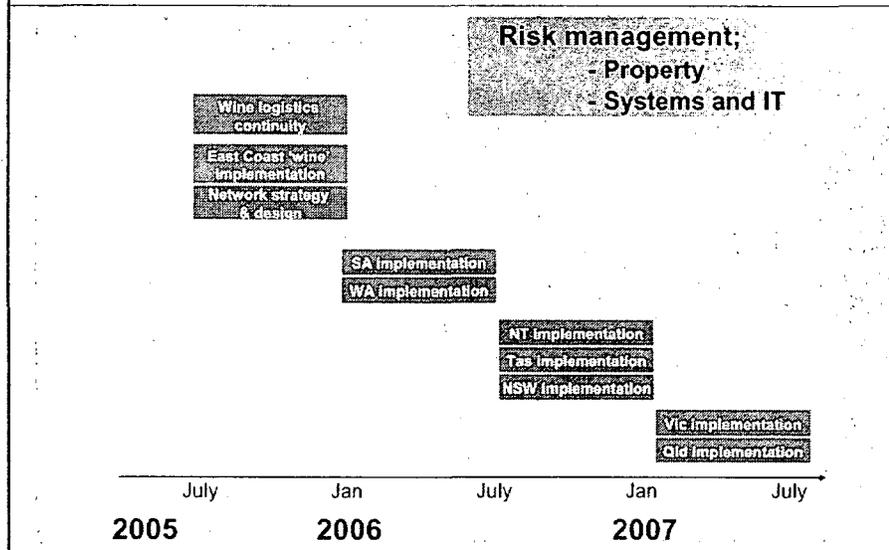
	Integrated	Destination	Local	Connect
Multi-Beverage				
Customised offerings				
Purchase-ready packaging				
Fast, reliable order to delivery				
Flexible delivery				
Customer pick-up				
Home and premium delivery				
Inventory management				

Lowest cost multi-beverage network



	Today	Target
Distribution centres	41	14
Fleet & route management	11 Tonne	6 Tonne
Total supply chain inventory		↓
Total logistics costs		↓

Logistics transformation timeline



Logistics



UK/EUROPE

- Customer expectations understood
- Modelling work well underway

USA

- Indirect model
- Staying as is for now
- Modelling of future scenarios to begin Nov/Dec

Creating the world's leading supply chain



Key areas of focus:

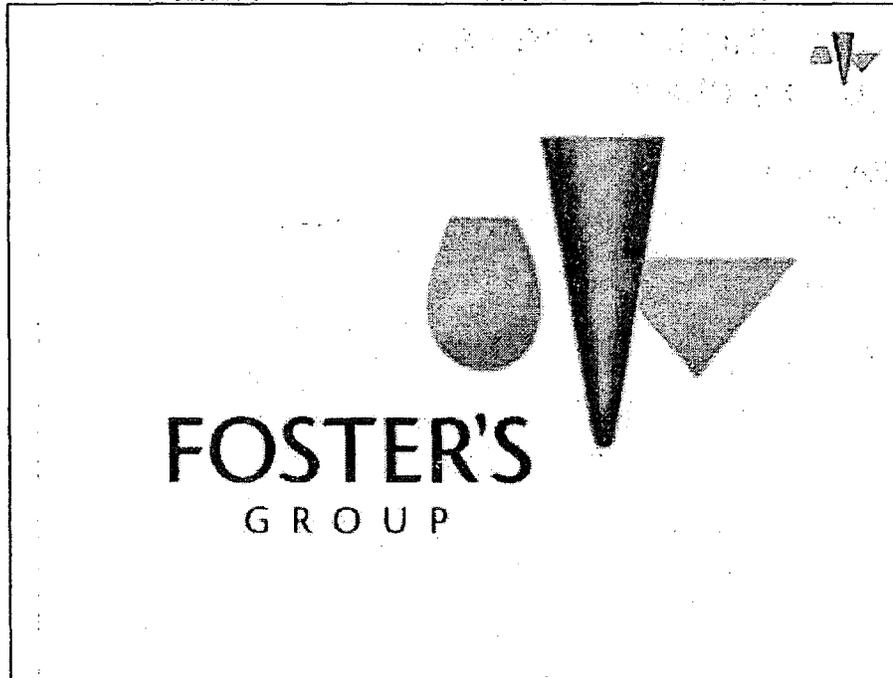
- Global Procurement & Innovation Capability
- Global Beverage Production
 - Lowest Cost
 - Risk Mitigation
 - Best Quality
- Tailored Customer Solutions
 - Logistics
 - Distribution



Global Supply Chain

Randolph Bowen,
Senior Vice-President Global Supply Chain
Foster's Wine Estates

Rob Rogers
Director Supply Chain Operations
Foster's Australia



Integration

John Murphy Managing Director Foster's Australia	Jamie Odell Managing Director Foster's Wine Estates
--	---

21 September 2005

The slide features the Foster's Group logo in the top right corner. The main heading "Integration" is centered. Below it, two columns of text list the names and titles of John Murphy and Jamie Odell. At the bottom center, the date "21 September 2005" is displayed.

Integration principles



Vision

To integrate Southcorp into stable One Foster's platform that is able to deliver core business targets, accelerate growth and achieve identified synergies over the next 18 months.

We will do this by taking the following actions to integrate Southcorp:

- Communicate all key messages in the most appropriate manner
- Select the best people available for each role
- Improve cost position by streamlining the processes, optimising the combined assets, closing selected facilities and removing surplus staff
- Leverage the combined portfolio of brands
- Ensure the Foster's ways of working are accepted and lived by staff in the combined entity

We expect this will lead to:

- Achievement of targeted synergy benefits
- Retention of consumers, customers, staff and suppliers
- A stable business platform that is non-replicable, and has ability to grow both through organic and inorganic activity
- Inspired staff
- A repeatable integration model

Integration principles



Project

- Synergies not gained within 18 months will not be extracted
- Don't pursue 'best of both' processes
- Be "roughly right" not "exactly wrong"
- Build something that cannot be copied

People

- Use "best of both" people
- Draw on relevant experience in both organisations

Marketplace

- Maintain +ve consumer and customer market place momentum in both organisations
- Keep "operators" focused on "operating"

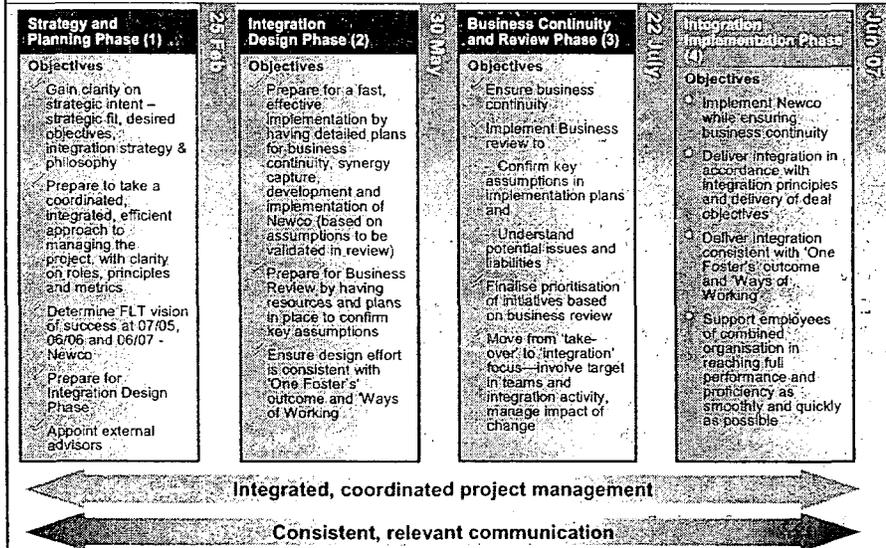
Communication

- Communicate merger milestones regularly both internally and externally

Financial

- Draft will-be budgets and accountabilities consistent with integration sequencing and timing asap

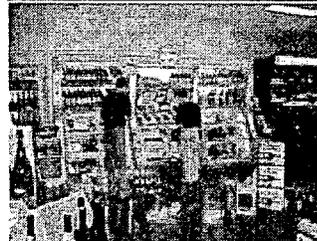
Phases, timeline & objectives



Business review findings



Positives	Negatives
<ul style="list-style-type: none"> Passion for brands On premise fine dining expertise Some strong customer relationships Some good monthly reporting Quality of financial controls Some new and increased skill depth and bench talent e.g. <ul style="list-style-type: none"> Consumer insights capability Consumer relations systems and processes Tourism and hospitality capability Successful innovation of scale Viticulture systems and processes in grape growing operations Strong business model and scale in Continental Europe Direct RTM model in Canada 	<ul style="list-style-type: none"> Core SRP brand performance Rosemount brand health worse than expected Supply imbalance by grade (mostly C grade) – net combined position is short Poor implementation of Blueprint project General lack of discipline and rigorous systems in supply chain



Culture



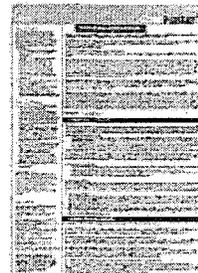
- Successful leadership meetings held in all regions
- Morale positive
- Cultural integration progressing well
- Communication audits have yielded positive results



Progress to date



- **Overall**
 - Significant progress across the Group
 - Good balance of Foster's and Southcorp people – 60 / 40
 - Speed & open communication has served us well
- **Australia**
 - New management team established
 - All remaining Artarmon staff now relocated to Kent
 - FWE supply chain structure appointed
 - Movement towards new single employing entity
- **EMEA**
 - Relocated people across two offices to ensure like functions are co-located
 - New management team established and structure appointed for sales & marketing
- **North America**
 - New management team established
 - 90% of structures filled, with all structures to be finalised 6 months ahead of schedule
 - Relocated people across two offices to ensure like functions are co-located
- **Asia / NZ**
 - Sales and marketing structure implemented, and relocation of offices complete
 - All people synergies achieved



Managing change

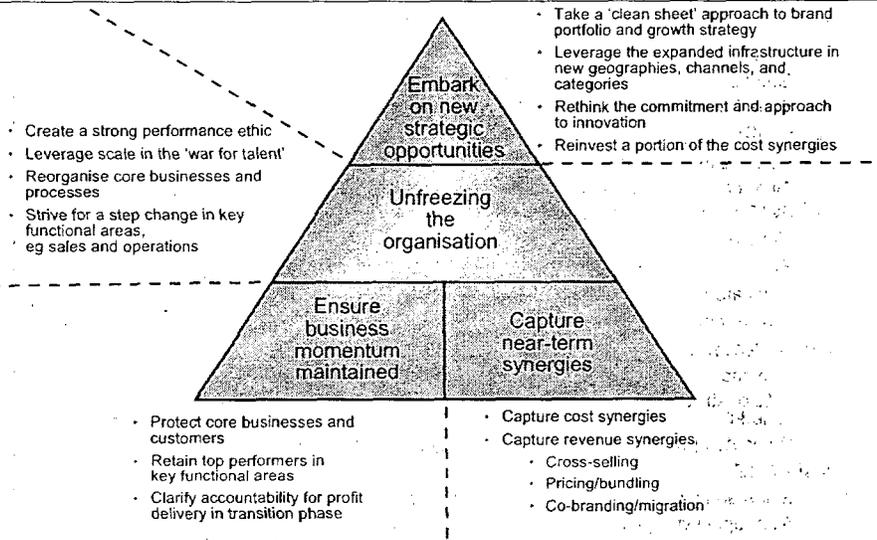


Key success factors include:

- Strong leadership.
- Careful planning and measurement.
- Focus and accountability
 - embedding project targets into business plans.
- Investing in organisational capability
 - talent and technology.
- Stakeholder respect
 - consultation and communication with internal and external stakeholders, from regular Board updates to regional community briefings.



Broader value - creation opportunities

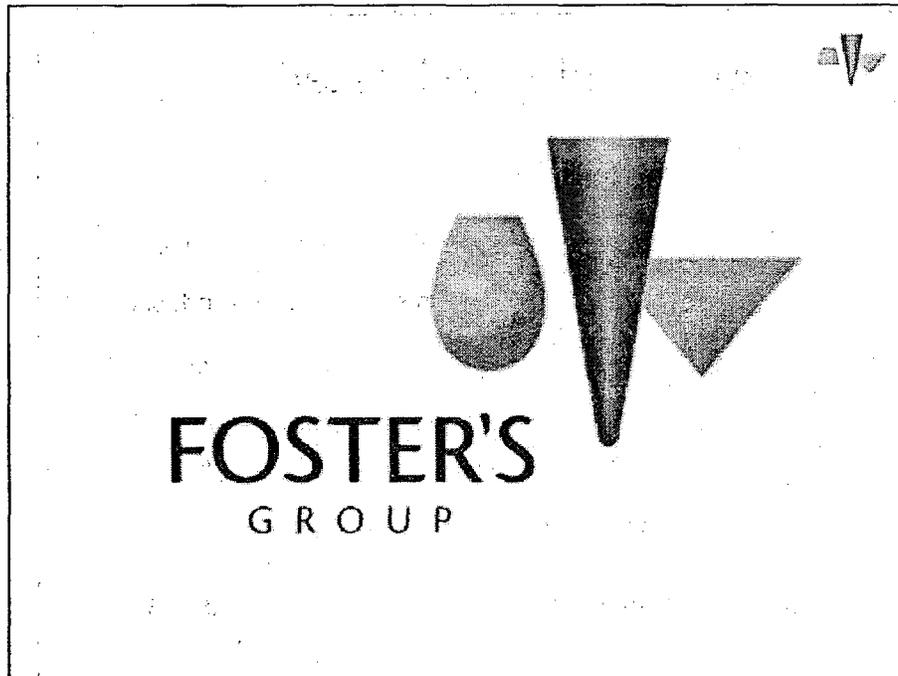


Southcorp synergies



Net synergies of:

\$Amillion net synergies	FY'06	FY'07	FY'08
Corporate overheads • business support services integration • global marketing integration • IT	20-25	35-40	35-40
Production / procurement • packaging consolidated • winery consolidation • blend structures	3-5	25-30	50-55
Route-to-market • Europe • North America • Australia / NZ • Australia fulfilment	15-20	40-45	45-50
Total	40-50	100-115	130-145





Closing remarks

Trevor O'Hoy
President & Chief Executive Officer
September 21, 2005

Southcorp's value to Foster's



- **A transforming acquisition**
 - Category leader in global premium wine with ownership of the 'Australian' category
 - Access to global consumer insights, developing products that transcend borders
 - Scale efficiencies that enable reinvestment in brands, every day of the year
 - Unassailable lead in Australian multi-beverage
 - Redefined route to market: new ways to service our customers, and inspire our consumers
 - A new frontier of growth

- **Synergies of \$40-50 million in F06 building to \$130-145 million by F08**

The next twelve months



- Brand investment to 8-10% of revenue
- Focus on Foster's brand
- Re-launch of the Rosemount brand
- Flow-through of cost efficiencies: Wine Trade Operational Review, Veraison and Foster's Services Review.
- Restructure of the Wine Clubs & Services business
- Southcorp customer-facing integration
- \$40-50 million of Southcorp integration synergies

Beyond twelve months



- *The reporting and business integration of Southcorp*
- Hitting our growth targets
- Sustained product innovation
- Supply chain efficiencies
- Southcorp synergies toward \$130-145m target by mid 2008

On track



- **Solid results from core businesses**
 - CUB/Fosters Australia multi-beverage model performing
 - Wine Trade return to growth
 - FBI, Clubs & Services review and transformation
- **Pure premium beverage play**
 - disposal of non-core asset largely complete.
 - category leadership – global premium wine, multi-beverage Australia, 7th largest global beer brand
- **Continuous improvement, funding continuous investment in brands and innovation**
 - efficiency reviews and supply chain restructure
- **Southcorp integration on track**
 - synergies tracking to plan
 - getting the culture right

Closing remarks

Trevor O'Hoy,
President & Chief Executive Officer
September 21, 2005



