

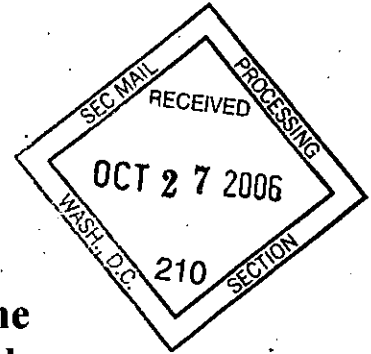


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FOSTER'S
GROUP



ASX RELEASE



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

"Presentation to Bond Holders"

Released: 11 October 2006

**Pages: 12
(including this page)**

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Foster's Group

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Jdw 10/30

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11 October 2006

FOSTER'S 2006 RESULT BOND HOLDER CONFERENCE CALL

The attached presentation on Foster's Group's full year results will be given by teleconference from New York today to corporate bond holders.

A copy of the presentation will be available from the Foster's Group website at www.fostersgroup.com.

Further information:

Media

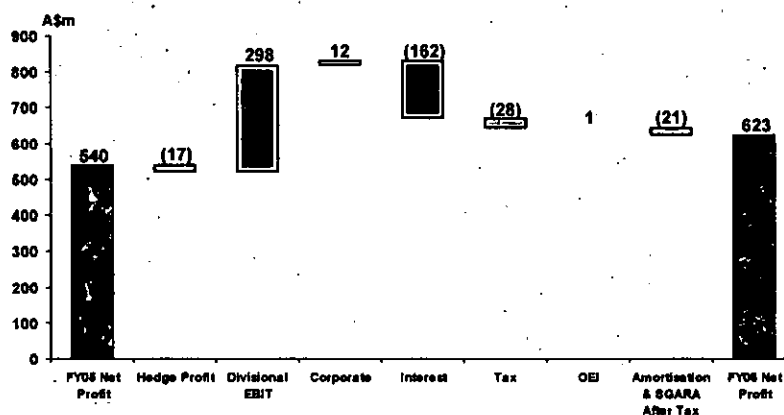
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Net Profit After Tax

Continuing Business Net Profit Before Significant Items



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EBIT – Continuing Business

	Reported			Pro Forma ⁽¹⁾	
	FY06 Sm	FY05 Sm	Change %	FY05 Sm	Change %
CUB	670	573	17.0	573	17.0
Wine Trade	431	237	81.8	329	31.1
Clubs & Services	39	44	(10.7)	44	(10.7)
FBI	38	43	(11.7)	43	(11.7)
Corporate	(59)	(71)	17.7	(71)	17.7
Total	1,119	826	35.6	917	22.0

All numbers are before significant items.

1. Assumes Southcorp acquisition completed 30 June 2004 and excludes one off items reported by Southcorp, and currency hedge benefits reported by Southcorp and Foster's Group in FY05.

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Significant Items (before tax)



		FY06 \$m	FY05 \$m	Total \$m
Southcorp Integration & Restructuring	Cash	(84)	(63)	(137)
	Non-cash	(18)	(27)	(45)
	Total integration and restructuring	(102)	(80)	(182)
Other Items	Gain on sale of International Beer Assets	713	-	
	Clubs & Services	(86)	-	
	Other	-	(4)	
	Total Significant Items	<u>525</u>	<u>(84)</u>	

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Cash Flows – Continuing Business



		FY06 \$m	FY05 \$m	Change %
Operating Cash Flow pre Interest & Tax	Reported OCFPIT ⁽¹⁾	1,277.4	817.7	68.2
	Add: Southcorp Integration	92.2	1.4	
	Southcorp hedge book receipts	(57.9)	-	
	Other significant items	13.0	82.3	
	Discontinued operations	-	26.4	
	Dividends received	(0.1)	(2.9)	
	Continuing business OCFPIT, before significants	1,324.6	924.9	43.2
Cash Conversion	CUB	down	1.3pts	98.3%
	Wine Trade	up	31.0pts	103.6%
	Foster's Group	up	9.6pts	102.7%

1. Includes significant items, discontinued businesses and dividends received.

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Debt Profile



A\$m		FY06 A\$m	FY05 A\$m
Bank	Syndicated	529	1,402
	Bilaterals / other	173	368
	Subtotal	702	1,770
Bonds	US 144A	2,798	2,806
	A\$ MTN	473	450
	Subtotal	3,271	3,256
Total Gross Debt		3,973	5,026

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Pete Scott
Chief Financial Officer

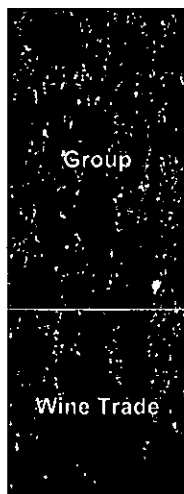


Outlook

- Beer revenue growth, challenging wine environment
 - Retail consolidation
 - Margin expansion as supply benefits are realised
-
- Domestic supply/demand balance
 - Increasing investment in sales capability, brands and NPD
 - Margin expansion as supply benefits are realised
-
- Benefits from improved UK retailer relationships
 - Continental Europe growing strongly
 - Margin expansion as supply benefits are realised

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Financial KPI's



- 10% pa normalised EPS growth ✓
 - Returns @ premium to WACC ✓
 - EBITDA cash flow conversion in excess of 90% ✓
 - Gearing to target 65-75% range by FY08 ✓
 - Net debt to below \$3b by FY09 ✓
 - Group EBIT margins exceeding 20% ✓
-
- Wine returns to cost of capital by FY08 ✓
 - Wine EBIT margins reach 25% by FY07 ✓
 - Southcorp synergy realisation ✓

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Bond holder call – Full year results
New York, 11 October 2006

