15 February 2011

FOSTER'S TO DEMERGE TREASURY WINE ESTATES

- Foster's to pursue demerger of Treasury Wine Estates
- Demerger will create two independent ASX listed companies: Treasury Wine Estates, a leading international wine business and Foster's, Australia's largest brewer
- Scheme booklet expected to be sent to shareholders in late March with scheme meeting in late April 2011[1]

Demerger overview

Foster's today announced that it will proceed with a structural separation to create independent ASX listings for its wine business and its beer, cider and spirits business (the "Demerger").

The Demerger will be effected through the separation of Foster's wine business, Treasury Wine Estates, from Foster's which will retain all assets, rights and liabilities which are not transferred with Treasury Wine Estates pursuant to the Demerger.

Foster's expects the Demerger to be completed in May 2011, subject to shareholder and court approvals.

"Foster's has completed a detailed evaluation of the issues, costs and benefits of the Demerger and the Board unanimously considers that the Demerger represents the best path forward and is in the best interests of Foster's shareholders," said Foster's Chairman, David Crawford.

"The performance improvement program implemented following completion of the Wine Strategic Review in February 2009, including revitalisation of the management team, has produced encouraging results.

"Benefits are now being delivered by the separate organisational structures for beer and wine in Australia, and the Board has formed the view that further benefits will result from a complete separation and now is the right time to pursue a demerger of Treasury Wine Estates from Foster's.

"The Demerger will allow Foster's shareholders to benefit from owning Treasury Wine Estates shares and to participate in any value creation within that business including from improved market conditions in the wine category," said Mr Crawford.

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[1] *All dates are indicative only and subject to change*

Rationale for the Demerger

The Foster's Board believes the Demerger will maximise long term value for Foster's shareholders by:

- enhancing each of Foster's and Treasury Wine Estates' focus on its own business and strategy and providing each company with greater flexibility to pursue strategic objectives;
- allowing Foster's and Treasury Wine Estates to adopt independent capital structures and financial policies appropriate for their operational requirements and strategic objectives;
- providing greater investment choice for shareholders, with direct participation in the future performance of Treasury Wine Estates;
- increased transparency allowing investors to independently and appropriately value Foster's and Treasury Wine Estates; and
- allowing closer alignment between business performance, total shareholder return and compensation and incentive plans for each of Foster's and Treasury Wine Estates.

"The Demerger recognises the different business characteristics of, and industry dynamics now faced by, each business. Following the Demerger, Foster's and Treasury Wine Estates, supported by separate Boards and management teams, will be able to focus solely on their own business and strategic objectives, providing greater flexibility to respond to challenges and pursue opportunities. We expect this will lead to improved performance by the businesses over time," said Foster's Chief Executive Officer, Ian Johnston.

"The Demerger will create a leading international wine company with a portfolio of luxury, premium and commercial wines, while Foster's will continue as Australia's leading brewer with 7 of the country's top 10 beer brands and Australia's largest cider producer," said Mr Johnston.

Following the Demerger, Foster's is expected to remain in the S&P/ASX50. It is anticipated that Treasury Wine Estates will qualify for inclusion in the S&P/ASX100 following its listing on ASX.

Attachment A contains further details of the two entities which will be created by the Demerger.

Demerger process and timing

The Demerger will be effected through a capital reduction and a scheme of arrangement, in which Eligible Shareholders[2] will receive one share in a new ASX listed entity (Treasury Wine Estates) for every three Foster's shares held[3]. Foster's shareholders will also retain their shareholding in Foster's.

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[2] *Excludes Ineligible Overseas Shareholders and small shareholders participating in the sale facility to be established by Foster's. Ineligible Overseas Shareholders are anticipated to be Foster's shareholders whose registered address is not within Australia, Canada, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, Switzerland, the United Kingdom or the United States, or not within any other jurisdiction in which Foster's reasonably believes the Demerger and transfer of Treasury Wine Estates Shares to Foster's shareholders is not prohibited, not unduly onerous and not impracticable.*

[3] *Rounded up or down to the nearest whole Treasury Wine Estates share.*

The Demerger requires approval from Foster's shareholders and the Supreme Court of Victoria. Subject to initial court approval, a scheme booklet which will contain further information about the Demerger is expected to be sent to shareholders in late March 2011, with a shareholder meeting to consider the Demerger to be scheduled for late April 2011. Final court approval will be sought following the shareholder meeting.

The scheme booklet will include an expert's report from Grant Samuel and an investigating accountant's report from PricewaterhouseCoopers.

Subject to shareholder, court and ASX approvals, the Demerger is expected to be completed in May 2011.

The Demerger is expected to qualify for demerger tax relief for Australian residents who hold Foster's shares on capital account. Foster's has received a draft class ruling from the Australian Taxation Office which sets out the preliminary view of the Commissioner of Taxation that demerger tax relief is available. A final ruling is expected after the Demerger is implemented, consistent with the Australian Taxation Office's normal practice.

A sale facility will be offered to shareholders who hold 1,000 or fewer Foster's shares allowing them to elect to sell their shares in Treasury Wine Estates free of any brokerage costs or stamp duty. Treasury Wines Estates shares which would otherwise have been received by Ineligible Overseas Shareholders will also be sold through the sale facility.

Board and management

If the Demerger proceeds, the boards and senior management teams of Treasury Wine Estates and Foster's will comprise:

Treasury Wine Estates	Foster's (post Demerger)
Non-Executive Directors Max Ould (Chairman) Lyndsey Cattermole Warwick Every-Burns (new) Peter Hearl (new) Paul Rayner (new)	**Non-Executive Directors** David Crawford (Chairman) Paul Clinton Paula Dwyer (new) Judith Swales (new) Michael Ullmer Michael Wesslink (new)
Executives David Dearie (Executive Director and Chief Executive Officer) Tony Reeves (Chief Financial Officer)[4] Paul Conroy (General Counsel and Company Secretary) Stephen Brauer (Managing Director, Americas) Peter Jackson (Managing Director, EMEA) Anthony Davie (Managing Director, Asia) Boyd Williams (Chief HR Officer)	**Executives** John Pollaers (Executive Director and Chief Executive Officer) Stephen Matthews (Chief Financial Officer) Dan Last (General Counsel and Company Secretary) Peter Cantwell (Managing Director, Sales) Paul Donaldson (Acting Managing Director, Marketing) Grant Peck (Managing Director, Supply) Katea Downie (Chief HR Officer)

Foster's current Chief Executive Officer, Ian Johnston will leave Foster's upon successful implementation of the Demerger.

Attachment B contains further details on the Foster's and Treasury Wine Estates' boards and management teams.

Capital structure

Treasury Wine Estates will be supported by a new $500 million syndicated loan facility. The facility will be a revolving multi-currency facility with 3 and 5 year tranches. Westpac Banking Corporation has entered into a binding commitment letter to enter into formal facility documentation to underwrite the entire $500 million syndicated loan facility.

Upon Demerger, Treasury Wine Estates will have net debt of approximately $140 million, comprising $200 million of gross debt and cash of approximately $60 million. It is anticipated that gross debt will be drawn in US dollars.

It is considered that this represents a conservative level of gearing for Treasury Wine Estates, with gross debt of less than 0.7 times pro forma FY10 EBITDAS. Treasury Wine Estates does not anticipate seeking a credit rating.

[4] *Tony Reeves will fill the CFO role until the selection process for a permanent CFO is concluded and the new CFO commences employment with Treasury Wine Estates*

Foster's (post Demerger) will retain all of its existing US$144A notes and bank facilities. Had the Demerger been effected on 31 December 2010, Foster's (post Demerger) would have had gross borrowings of $1,955 million (approximately 2.0 times pro forma FY10 EBITDA) and cash of $71 million. Foster's has a commitment to disciplined capital management that is consistent with its operating cash flow profile and current investment grade ratings. No change to Foster's BBB / Baa2 credit ratings is expected following the Demerger.

Foster's intends to enter into a series of cross currency swaps in relation to its 2014, 2015, 2016 and 2035 US$144A notes with a total face value of US$1,600 million (the **US$144A Notes**[5]) to mitigate foreign exchange risk on future US$ coupon and principal repayments. Based on prevailing rates, the implementation of the cross currency swaps is expected to result in Foster's US$ debt being swapped to A$ at an exchange rate which is relatively more favourable as compared to average historical exchange rates, but is also expected to result in an increase in Foster's interest expense, primarily reflecting the differences between current interest rates applicable to borrowing in US and Australian dollars.

It is estimated that Foster's cost of borrowings (post demerger) in relation to the US$144A Notes will be approximately 4.0% per annum higher on pre-tax basis than if Foster's did not enter into the cross currency swaps[6].

Dividend policies

The Treasury Wine Estates Board has confirmed that it intends to target a dividend payout ratio of between 55% and 70% of its consolidated net profit after tax (excluding individually material items and subject to the Corporations Act) to Treasury Wine Estates shareholders.

The Foster's Board has confirmed that following the Demerger, Foster's intends to target a dividend payout ratio of not less than 80% of its consolidated net profit after tax (excluding individually material items and subject to the Corporations Act) to Foster's shareholders.

It is anticipated that, taken together, the final dividends declared by Treasury Wine Estates and Foster's for the year ending 30 June 2011 will be equivalent to the final dividend that Foster's would otherwise have declared if the Demerger did not proceed.

Treasury Wine Estates and Foster's intend to frank dividends to the extent practicable. It is expected that this will result in less than 100% franking for Treasury Wine Estates because of its offshore earnings. The future dividend policy of Foster's and Treasury Wine Estates remains a matter for their respective Boards and may change over time.

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[5] *This excludes the series of US$270 million maturing in June 2011 which will be refinanced in Australian dollars at maturity (regardless of whether or not the Demerger proceeds) and which is covered by an existing FX forward contrac.*

[6] *Estimate is based on current forward interest rates (as at 24 January 2011) relating to the first full financial year after the implementation of the Demerger (being the year ending 30 June 2012) and assumes that the 2011 US$144A Notes are refinanced with A$ at maturity regardless of whether or not the Demerger proceeds and that the 2035 US$144A notes will be swapped to a variable rate exposure. No assurance can be given as to future interest rates and the actual increase in Foster's cost of borrowings in relation to the US$144A Notes may be higher or lower than estimated.*

Demerger costs

The total one-off transaction costs associated with the Demerger are estimated to be approximately $151 million on a pre-tax basis ($108 million after tax), which will be incurred by Foster's.

$30 million of one-off Demerger transaction costs were incurred prior to 31 December 2010. A further $44 million is expected to be incurred prior to the Scheme Meeting and will therefore be incurred even if the Demerger does not proceed.

One-off transaction costs relate to a range of activities associated with the Demerger, including expenses relating to transfer costs and advisory fees, establishing foreign exchange derivatives, establishing Treasury Wine Estates' debt facility and restructuring costs associated with separating Treasury Wine Estates and Foster's (including information technology separation costs).

A breakdown of one-off transaction costs is set out below.

	($ millions)
Transfer costs and advisory fees	66
Foreign exchange derivatives	26
IT expenditure	41
Other restructuring costs	18
Total one-off demerger costs (before tax)	**151**
Total one-off demerger costs (after tax)	**108**

Expenses associated with establishing foreign exchange derivatives have arisen in connection with the implementation of a progressive foreign currency bought options hedging program over Foster's US dollar denominated debt which commenced in August 2010. This program partially mitigates Foster's exposure on its US dollar denominated debt if the Australian dollar depreciates leading up to completion of the Demerger, without limiting Foster's participation in the recent strength in the Australian dollar (which reduced Foster's reported debt position by over $300 million in the 6 months to 31 December 2010).

The information technology expenditure of $41 million is associated with changes to the information technology upgrade program currently being undertaken by Foster's.

Following the Demerger, Foster's and Treasury Wine Estates will incur additional corporate and operating costs as against those incurred by Foster's prior to the Demerger. It is estimated that, if the Demerger had been effected for the full year ended 30 June 2010, the aggregate annual corporate and operating costs for Foster's and Treasury Wine Estates in that year would have been approximately $21.6 million higher than those reported by Foster's under its existing structure.

Approximately $9.9 million of these additional costs arise from the separation of existing information technology systems and services, including associated third party contracts.

Approximately $11.7 million of these additional costs relate to ASX listing fees; share registry costs; audit fees and insurance; the cost of maintaining separate Boards and executive teams and other corporate functions; and other costs arising from the separation of existing shared service functions.

Cost reduction measures implemented since 30 June 2010 have delivered cost savings to partially offset the additional $21.6 million corporate and operating costs arising as a consequence of the Demerger. As at 31 December 2010, those cost reduction measures had an estimated annualised benefit of approximately $3.5 million which is not included in the calculation of the additional $21.6 million corporate and operating costs.

Cost base reduction programs

The additional corporate and operating costs (and already delivered cost savings) referred to above do not include the benefit of any further cost reduction initiatives to be undertaken by Foster's and Treasury Wine Estates following the Demerger.

The management of both Foster's and Treasury Wine Estates are undertaking a detailed review of the stand-alone cost bases of Foster's and Treasury Wine Estates (the Cost Base Reduction Programs).

Based on work undertaken to date, the current Boards of Foster's and Treasury Wine Estates are confident that the total cost savings across both businesses realised from the Cost Base Reduction Programs will materially exceed the additional corporate and operating costs incurred as a result of the Demerger by each of Foster's and Treasury Wine Estates within 24 months.

Cost savings in excess of any additional corporate and operating costs incurred as a result of the Demerger will directly flow through to increase profit. A portion of this may be reinvested into the businesses to drive volume and revenue.

Commenting on these cost reduction initiatives, Foster's Chief Executive Officer, Ian Johnston said:

"As stated in our recent results announcements, Foster's has delivered on its transformation agenda and the Wine Strategic Review outcomes to achieve its target of $100 million of efficiency benefits in full by the end of fiscal 2011. While this program has been completed, the task of optimising the cost bases of the businesses will continue, with the Demerger creating the opportunity for the separate Boards and management teams of Foster's and Treasury Wine Estates to deliver optimised and efficient stand-alone operating structures through the Cost Base Reduction Programs."

Areas identified for reducing costs in Foster's include acceleration of supply efficiency initiatives; streamlining core processes; business simplification; and benefits arising from the implementation of new IT systems.

Areas identified for reducing costs in Treasury Wine Estates include acceleration of wine making and vineyard operations efficiencies; optimisation of marketing and promotional spend; continued process improvements; reduction in global administrative and selling costs; and benefits arising from the implementation of new IT systems.

Transitional arrangements

Foster's and Treasury Wine Estates will enter into transition service agreements under which each party will provide the other with, or procure the provision of, certain services at the corporate and operational levels.

The transition services to be provided include:

- finance services and call centre services;
- logistics services including distribution, warehousing and delivery of Treasury Wine Estates' products within Australia and management of third party logistics providers; and
- information technology services (including in relation to core operations and information technology separation).

Treasury Wine Estates will provide human resources services to Foster's in various locations, with all other services to be provided by Foster's to Treasury Wine Estates.

Under the transition services arrangements, Foster's (with the assistance of specialist external service providers) will be responsible for the completion of the existing core operations IT project and delivery to Treasury Wine Estates of a standalone information technology environment and communications landscape. It is currently anticipated that this will be finalised by the first half of calendar 2013.

Demerger accounting

Under AASB137, the value of the Treasury Wine Estates shares to be distributed to Foster's shareholders must be determined by reference to the value of Treasury Wine Estates shares as traded on ASX (typically by reference to the volume weighted average price over the first five trading days). Accordingly, for accounting purposes the value of the demerger distribution recorded in the accounts of Foster's will be based on the price at which individual parcels of shares (or portfolio interests) in Treasury Wine Estates shares trade on ASX.

However, in accordance with AASB136, the carrying value of the wine assets in the Foster's financial statements was recorded at 31 December 2010 by reference to recoverable amounts, being the discounted value of estimated future cash flows (assuming full access to cash flows).

Accordingly, the approach for determining the carrying value of the wine net assets and the value of the demerger distribution to be recorded in Foster's accounts under the relevant accounting pronouncements are fundamentally different. As a result of the difference in the basis on which these are assessed, the trading value of Treasury Wine Estates shares may be lower than the carrying value of the wine assets, requiring Foster's to report a non cash loss on Demerger in its consolidated income statement for the financial year ending 30 June 2011. Any accounting adjustment will not affect the overall net asset position of Foster's or Treasury Wine Estates after the Demerger.

A further consequence of the Demerger is that Foster's is likely to have consolidated negative net assets. This is mainly due to existing long term debt being allocated to Foster's which exceeds the historical cost of Carlton & United Breweries' beer brands and goodwill assets, which in some instances are carried at nil.

A consolidated negative net asset position has no adverse consequences under Foster's financing facilities and Foster's does not expect any change to its credit ratings as a result of the Demerger. Further, this will not prevent Foster's from declaring and paying a final dividend for the financial year ending 30 June 2011. Payment of dividends is a matter for the parent company, Foster's Group Limited.

Further information

Further information regarding the Demerger is contained in the investor presentation, Demerger of Treasury Wine Estates, which is available on Foster's website (www.fostersgroup.com).

A scheme booklet containing more detailed information in relation to the Demerger is expected to be sent to Foster's shareholders in late March 2011.

All Demerger related dates in this announcement are indicative only and subject to change.

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Attachment A – Entities created by the Demerger

The Demerger will create two leading beverage companies:

- **Treasury Wine Estates.** Treasury Wine Estates is an international wine business with a portfolio of luxury, premium and commercial wines.

  Treasury Wine Estates sells approximately 35 million 9LE cases of wine annually and generates net sales revenue of approximately $1.9 billion per annum. Treasury Wine Estates has more than 3,000 employees across 17 countries. Its production facilities are located in internationally recognised wine regions including the Barossa Valley and Coonawarra in Australia, the Napa Valley and Sonoma Valley in California, Marlborough in New Zealand and Tuscany in Italy.

  Treasury Wine Estates' business is structured into four regions*:*

  - *Australia and New Zealand (ANZ)* – the largest wine company in Australia with approximately 22% value share in bottled wine and 4 of the top 10 bottled wine brands (including the second and third largest brands, Yellowglen and Wolf Blass) and the second largest supplier of Australian wine in New Zealand with approximately 23% value share;

  - *Americas* – the second largest supplier of Australian wine in the United States with approximately 26% value share, the third largest premium and commercial wine supplier in the United States by value (US$4+ table wine) – including the largest premium wine brand, Beringer – and a leading supplier of Australian wine in Canada with approximately 36% value share;

  - *Europe, Middle East and Africa (EMEA)* – focused on non-wine producing European markets such as the United Kingdom, Ireland, Nordic countries and the Netherlands. The second largest supplier of Australian wines in the United Kingdom, and a leading supplier of Australian wine in Sweden, Norway, Finland and the Netherlands;

  - *Asia* – a supplier of luxury and premium bottled wine to Asian markets, and the supplier of the largest Australian wine brand in Hong Kong, Malaysia, Singapore and Thailand*.*

  Market shares based on retail sales for 12 months to 31 Dec 2010 or equivalent, using AC Nielsen, IWSR or other sources.

- **Foster's (post Demerger).** Foster's (post Demerger) will retain all assets, rights and liabilities which are not transferred with Treasury Wine Estates pursuant to the demerger.

  Following the Demerger, Foster's will be primarily focused on brewing activities through the following two divisions:

  - *Carlton & United Breweries* – the largest brewer in Australia with a portfolio of brands produced by or licensed to Carlton & United Breweries that includes the leaders in the traditional regular, premium domestic and premium international segments. Carlton & United Breweries is also the largest cider producer in Australia, the largest brewer in Fiji and has a portfolio of spirits, ready-to-drink and non-alcohol brands; and

  - *International Beer* – generates earnings from the sale, licensing or distribution of its Australian beer brands in markets outside of Australia and the Pacific and from a distribution joint venture serving the Middle East.

Attachment B – Biographical details of board and management teams

Treasury Wine Estates

- **Non-Executive Directors**

Max G Ould
B.Ec.
Chairman
Member of the Foster's Group Limited Board since February 2004. Mr Ould has extensive experience in the fast moving consumer goods industry. He was the former Managing Director and Chief Executive Officer of National Foods Limited and is the former Chief Executive Officer of Pacific Dunlop's Peters Foods division and Managing Director of the East Asiatic Company. Mr Ould is a Director of AGL Energy Limited and Chairman of Goodman Fielder Limited. Until October 2009, Mr Ould was a Director of Pacific Brands Limited.

M Lyndsey Cattermole
AM, B.Sc., FACS
Non-Executive Director
Member of the Foster's Group Limited Board since October 1999. Mrs Cattermole has extensive information technology and telecommunications experience. She was a former Executive Director of Aspect Computing Pty Ltd and Kaz Group Limited. She has also held a number of significant appointments to government, hospital and research boards and committees. Mrs Cattermole is a Director of Tattersall's Limited and Paperlinx Limited.

Warwick Every-Burns
AMP Harvard University (Advanced Management Program 1996)
Non-Executive Director
Mr Every-Burns joins the Treasury Wine Estates Board having recently retired from The Clorox Company – a US$5 billion, NYSE S&P 500 Consumer Products Company. Mr Every-Burns began his career at Unilever learning all aspects of the fast moving consumer goods industry. He is a former Managing Director of Glad Products Australia and New Zealand and was a member of the Executive Committee and President of international business at The Clorox Company. Mr. Every-Burns is currently a member of the Advisory Council of the Frontier Strategy Group working with clients to develop business strategies in emerging markets.

Peter Hearl
BCom (Economics) (UNSW), GAICD
Non-Executive Director
Mr Hearl joins the Treasury Wine Estates Board with a wealth of experience in international business and the food industry in particular. He is the former global Chief Operating & Development Officer for YUM Brands, the world's largest restaurant company, and throughout his career with YUM he oversaw much of the growth in the KFC, Taco Bell and Pizza Hut businesses around the world. He is a director of the Australian and New Zealand listed food company Goodman Fielder Limited, a member of the UNSW's Australian School of Business Alumni Leaders Group as well as a member of the Fred Hollows Foundation. He is also honorary Chairman of the US based UNSW Study Abroad-Friends and US Alumni Inc.

Paul Rayner
<u>BEc, MAdmin, FAICD</u>
Non-Executive Director
Mr Rayner joins the Treasury Wine Estates Board with extensive experience in finance, corporate and general management. He has been a Director of Centrica Plc since 2004, and was appointed a Director to the Boards of Qantas Airways Limited and Boral Limited in 2008. He chairs the Audit Committee at Centrica and Boral. Prior to pursing a Non-Executive career, Mr Rayner was Finance Director of British American Tobacco Plc, based in London from January 2002 through to April 2008. Mr Rayner joined Rothmans Holdings Limited in 1991 as its Chief Financial Officer and held other senior executive positions within the Group, including Chief Operating Officer of British American Tobacco Australasia Limited from 1999 to 2001. Previously Mr Rayner worked in various finance and project roles with General Electric, Rank Industries and the Elders IXL Group.

- **Executive Management Team**

David Dearie
Chief Executive Officer

David was appointed Managing Director of Australia and New Zealand Wine on 21 July 2009. He has extensive experience in alcohol beverage companies, most recently as Managing Director, Western Europe and Africa for Brown-Forman. David started his career with Whitbread and Co in various business development and sales roles before joining Inchape in sales and marketing roles rising to Regional Director South East Asia.

Tony Reeves
Chief Financial Officer

Tony was appointed Chief Financial Officer of Foster's Group Limited in November 2010. He was previously CFO of OneSteel Ltd, which was demerged from BHP Billiton in 2000. Prior to that, Tony held a number of senior executive roles in Finance, Marketing and IT with the ICI Group in the UK, USA and Australia. Tony is a Fellow of CPA Australia, and immediate Past President the Group of 100, an organisation of CFOs from Australia's largest businesses.

Paul Conroy
General Counsel and Company Secretary

Paul was appointed Chief Legal Officer and Company Secretary of Foster's Group Limited on 29 September 2009. He has practised as a solicitor for law firms in Australia, Asia and the United Kingdom. Paul has previously acted in senior management roles for Southcorp Limited in Australia and the United States.

Stephen Brauer
Managing Director, Americas

Stephen was appointed Managing Director, Foster's Americas on 13 April 2009. He has over 20 years experience with global wine and spirits companies including Beam Global Spirits, Peak Wines and Seagram. Stephen started his career in consumer products in 1985 as a brand manager with Del Monte and Speciality Brands and served as a research analyst for Strategic Planning Associates. Stephen joined Foster's from Pernod Ricard USA where he served as General Manager for the US Wine and Champagne business and was a member of the Pernod Ricard USA Executive Committee.

Peter Jackson
Managing Director, Europe, Middle East and Africa

Peter was appointed Managing Director, Europe, Middle East and Africa in August 2006. He was previously Managing Director, FGL Wine Estates, EMEA and Vice President European Sales for Southcorp Wines. He joined Foster's as Commercial Director – Continental for Foster's Wine Estates in 2005. Peter has 20 years experience in marketing and general management roles with Anheuser-Busch and Bass.

Anthony Davie
Managing Director, Asia

Anthony was appointed Managing Director, Asia for Treasury Wine Estates in 2009. Anthony joined Foster's in 1998 as General Manager, Australasia for Cellarmasters Wines and has held a number of senior leadership roles including Director, UK, Ireland and European Marketing, Managing Director Australia, Asia Pacific for Beringer Blass Wine Estates and Managing Director Foster's Asia, New Zealand and Pacific. Prior to joining Foster's, Anthony held senior Sales, Marketing and Business Development roles with Kellogg's Australia and Unilever Australia.

Boyd Williams
Chief Human Resources Officer

Boyd was appointed Chief Human Resources Officer on 26 July 2010. He was previously Senior Vice President Human Resources, DHL Express, Asia Pacific, Eastern Europe, the Middle East and Africa. Prior to joining DHL he spent the majority of his career with Unilever, one of the world's largest Fast Moving Consumer Goods companies in a range of international positions in developed and emerging markets including Kenya, the UK, Taiwan, the Netherlands and Singapore. Born in Sydney, he received a Bachelors degree in Economics from the University of Sydney.

Foster’s (post Demerger)

- **Non-Executive Directors**

David Crawford
<u>AO, B.Com., LLB, FCA, FCPA</u>
Chairman
Member of the Foster’s Group Limited Board since August 2001, Chairman since November 2007. Mr Crawford has extensive experience in risk management and business reorganisation, having worked with governments and major corporations. He is a former partner and National Chairman of KPMG and is on the Advisory Boards of Allens Arthur Robinson and Bank of America Merrill Lynch Australia. Mr Crawford is a Director of BHP Billiton Limited and Chairman of Lend Lease Corporation Limited. Until December 2007, Mr Crawford was a Director of Westpac Banking Corporation.

Paul Clinton
<u>Business Administration DipIT</u>
Non-Executive Director
Member of the Foster’s Group Limited Board since March 2008, Mr Clinton is an independent Director. Mr Clinton has extensive experience with distribution systems in the United States and Canada. From 1988 he held a number of senior roles with the Diageo Group, and its predecessors, culminating in 2000 with his appointment as President and CEO of Diageo North America. Prior to his retirement in 2003, Mr Clinton also sat on the Board of Directors of the Distilled Spirits Council of the United States.

Paula Dwyer
<u>B.Comm, FCA, FAICD, F.Fin</u>
Non-Executive Director
Ms Dwyer joins the Foster’s Board with extensive experience in management and company directorship. She is currently a non-executive Director of Tabcorp Holdings Limited, Suncorp Metway Limited and Astro Japan Property Group Limited. Ms Dwyer was a former Director of Healthscope Limited, David Jones Limited, RACV Limited and served as a Member of the Victorian Casino and Gaming Authority and of the Victorian Gaming Commission. She has had an executive career in finance holding senior positions in investment management and investment banking. Ms Dwyer is a Member of the Takeovers Panel and Deputy Chairman of the Baker IDI Heart and Diabetes Research Institute. She is a Fellow of the Institute of Chartered Accountants, a Fellow of the Institute of Company Directors and a Fellow of the Financial Services Institute of Australia.

Judith Swales
<u>BSc Hons Microbiology and Virelogy (University of Warwick, UK)</u>
Non-Executive Director
Judith Swales joins the Foster’s Board with extensive commercial and managerial experience. She is currently the Chief Executive Officer and Managing Director for Goodyear & Dunlop Tyres, a position she has held for the last four years. Appointed in September 2005 as Managing Director, Retail at Goodyear & Dunlop Tyres, she was responsible for driving growth and market share for the

business through the company's network of around 700 retailers. Ms Swales is a former Managing Director of Angus & Robertson and has held positions at UK retailers WH Smith Plc and Marks & Spencer Plc.

Michael Ullmer
BSc(Maths) (Hons), FCA, SF Fin.
Non-Executive Director
Member of the Board since July 2008. Mr Ullmer has strategic, financial and management experience developed over a 30 year career in international banking and finance. He is a former Finance Director of the National Australia Bank and is now the Bank's Deputy Group Chief Executive Officer. From 1982 until 1992 Mr Ullmer worked with KPMG in London, the US and Australia and then joined Coopers and Lybrand to lead their Asia Pacific Financial Services Group. In 1997 he joined the Commonwealth Bank of Australia as Group Chief Financial Officer and then Group Executive with responsibility for Institutional and Business Banking.

Michael Wesslink
BSc (Chem Eng) Syd, MBA (UNSW)
Non-Executive Director
Mr Wesslink joins the Foster's Board with over 35 years experience in the liquor industry, most recently as Chief Executive of ALM, the Liquor Division of Metcash Limited. He also served as an executive director on the Metcash Board.
Mr Weslink previously held the Chief Executive position at Tooheys Limited and The Swan Brewery Company Limited. He has held senior positions at Lion Nathan, Castlemaine Perkins and Wynn Winegrowers and is a former Managing Director of Amcor Containers Packaging Asia.

- **Executive Management Team**

John Pollaers
Chief Executive Officer

John Pollaers was appointed Managing Director of Carlton & United Breweries in April 2010. Prior to joining Foster's, John had extensive experience in the international drink sector - senior executive roles at Diageo, including President, Asia Pacific and Managing Director, Australasia and a member of the Diageo Group Executive Committee.

He has a strong finance and consumer products background as Finance Director for Diageo's largest subsidiary company in the UK and held Sales and General Management roles across the UK and Asia Pacific. John is Director of the Australian National Breast Cancer Foundation and Chair of its Finance and Risk Committee and was previously Chairman of the Distilled Spirit Industry Council and Chairman of the Industry and Community group that founded Drinkwise Australia. John spent nine years in the Australian Navy and holds an MBA through a joint program at INSEAD and Macquarie University and degrees in Electrical Engineering and Computer Science.

Stephen Matthews
Chief Financial Officer

Stephen joined Foster's in 2005 and was appointed Director, Finance Carlton & United Breweries in 2009. Stephen is a commercial finance professional with over 18 years international experience in the beverage alcohol industry. He started his career as a graduate trainee with Guinness Brewing, and then progressed through a number of Finance and Commercial roles with Diageo in the UK, Spain and Australia.

Dan Last
General Counsel and Company Secretary

Dan joined Foster's in 2007 and was appointed to the position of Managing Counsel in 2009. Prior to joining Foster's, Dan practised as a lawyer with Blake Dawson in Australia and Allen & Overy in the United Kingdom. Dan holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne.

Peter Cantwell
Managing Director, Sales

Peter joined Foster's in 2009 and was appointed Sales Director, Carlton & United Breweries in 2009. Prior to joining Foster's, Peter held the role of General Manager Australia for Independent Distillers and spent 15 years with the Cadbury Schweppes organisation in Marketing, Strategy, Sales and General Management roles both in Australia and overseas. Peter held the positions of Sales Strategy Directory for Cadbury Schweppes for UK, Europe and the Middle East, Commercial Strategy Director for Africa, Middle East and Turkey and Managing Director of Lion Confectionery in the UK. Peter holds a Bachelor of Business in Marketing.

Grant Peck
Managing Director, Supply

Grant became Supply Director for Carlton & United Breweries in 2009. Grant joined Fosters in 2004 as Finance Director for Beringer Blass Asia Pacific and has held Business Development and Supply Planning roles. Prior to Foster's Grant spent 4 years at McCormick Foods including time as CFO for Asia Pacific and Managing Director for the McCormick Industrial Products Group in Australia.

Katea Downie
Chief Human Resources Officer

Katea became Human Resources Director for Carlton & United Breweries in 2009. Prior to joining Foster's in 2008, Katea has worked in both Generalist Human Resources and Talent & Organisational Development roles for companies including the L'Oreal Group, Country Road and Colonial First State.

Paul Donaldson
Acting Managing Director, Marketing

Paul became Acting Managing Director - Marketing for Carlton & United Breweries in 2011. After joining Foster's in 2008, Paul became Group Marketing Manger, VB and Crown. Prior to joining Fosters, Paul spent roles in sales, marketing and corporate strategy roles at Lion Nathan, and across the Schweppes, Red Bull, Gatorade, Solo and Cottee’s brands at Cadbury Schweppes. Paul holds a marketing degree and remains a lecturer at RMIT and spent four years as a professional Australian Rules footballer at Collingwood FC.