



22 December 2010

DEMERGER UPDATE – KEY APPOINTMENTS

In May 2010, Foster's Group Limited (Foster's) announced that it intended to pursue a structural separation to create separate stock exchange listings for Beer and Wine (a "demerger"), subject to a detailed evaluation of the issues, costs and benefits to Foster's shareholders, necessary regulatory and statutory approvals, and ongoing assessment of prevailing economic and capital market conditions.

Work on the potential demerger continues to progress well and if a demerger proceeds it is expected to be implemented in the first half of calendar 2011.

Foster's has undertaken a process to confirm the senior leadership teams for the Beer (**Foster's**) and Wine (**Treasury Wine Estates**) businesses post demerger, including determining the future positions of the current directors of Foster's.

If the demerger proceeds, the Boards of Foster's and Treasury Wine Estates will include:

- Foster's - David Crawford AO (Chairman); Michael Ullmer; Paul Clinton
- Treasury Wine Estates – Max Ould (Chairman); Lyndsey Cattermole AM

It is also expected that further Non-Executive Directors will be announced prior to any demerger proposal being submitted to shareholders, with the intention that these directors be appointed to the boards of Foster's and Treasury Wine Estates upon the demerger being implemented.

After a market search and an assessment process, the nominations for the Chief Executive Officer positions in the event that the demerger proceeds are:

- Foster's – John Pollaers
- Treasury Wine Estates - David Dearie

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

Ian Johnston said today: "I congratulate David and John on their nominations and look forward to working with them over the coming months to ensure a smooth transition through the demerger process. David and John will now focus on confirming their senior leadership teams and realising the full potential of both the wine and beer businesses."

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John Pollaers

Comments

"After 20 years in the drinks industry, I'm pleased and delighted to be offered this unique opportunity at CUB.

"With beer back proudly at the heart of our business, we've made great recent progress at Carlton & United Breweries.

"We are building a shared vision and, while I don't underestimate the job ahead of us, we have real confidence in the future.

"To re-establish CUB as a dedicated brewer is a unique and challenging task and my team and myself are up for the challenge."

About John Pollaers:

At Carlton & United Breweries, John leads Australia's leading brewer with a team of almost 2,000 brewers, sales, marketing, distribution and support staff across Australia, New Zealand and the Pacific. Since his appointment in April 2010, John has led significant strategic and cultural change.

Prior to joining Foster's, John had extensive experience in the international drink sector including senior executive roles at Diageo, including President, Asia Pacific and Managing Director, Australasia. He was also 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 Trustee 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 Founding Chairman of Drinkwise Australia. John spent nine years in the Australian Navy and holds an MBA from INSEAD and Macquarie University and degrees in Electrical Engineering and Computer Science.

David Dearie

Comments:

"I'm proud and delighted to be offered the opportunity to lead one of the world's great wine businesses.

"After dedicating most of my working life to the beverage and hospitality sector, this is a truly unique opportunity and I look forward to guiding the future of these treasured wine brands.

"While wine has its challenges, the combination of demographics, population and consumer trends give me great confidence in our future as a 'pure play' wine company.

"There is much to do at a Group level and my focus, and that of other regional Managing Directors, remains on driving returns from our regional wine business."

About David Dearie:

David joined Foster's in July 2009 as Managing Director of Australian and New Zealand Wine. Since then he has led the creation of an integrated wine sales, marketing and distribution business and stewarded a team of almost 2,000 people through challenging conditions, culminating in the launch of a new international wine identity as Treasury Wine Estates.

Prior to joining Foster's, David's career spans over 25 years in hospitality management, wine and spirits, most recently as Managing Director, Western Europe and Africa with Brown-Forman.

Prior to this as President and Chief Operating Officer, Brown-Forman Global Wine Group based in Louisville, Kentucky, David was responsible for the full operating cycle from farming and production to sales marketing and distribution. Other roles in Brown-Forman included various Senior Vice President appointments; Global Sales and Marketing Director Wine Group; Managing Director International Wine Group; Director of Human Resources and Strategy Advancing Markets Group and Regional Director Central Europe.

With Inchcape, David led businesses in Bahrain, Abu Dhabi and in Asia in roles ranging from sales and marketing as Regional Director South East Asia, to leading Asia's largest independent importer and distributor of alcohol beverage brands.