



Ready To Drink Update

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May 2004

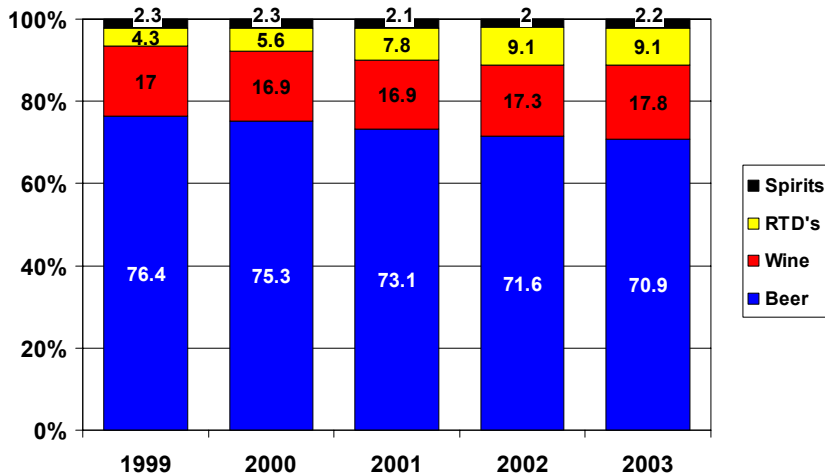


Agenda

- ✓ RTD market overview (Australia).
- ✓ FGL brand portfolio and market position.
- ✓ FGL manufacturing sites.
- ✓ FGL strengths and RTD growth opportunities.
- ✓ General cost / margin comparisons.
- ✓ Industry regulatory issues.



Segment mix within total alcohol (volume)



Sources: Alpha Beta, ABS, LMA and AAB.



Alcohol market overview – March 04

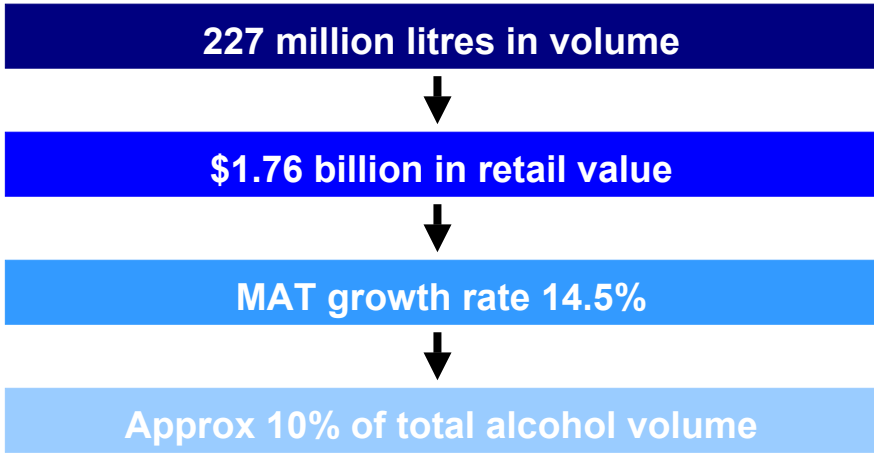
Australia	Volume ('000's)	Growth %	Value (\$'000's)	Growth %
Total	2,100,147	N/A	\$11,274,262	N/A
Beer	1,512,859	+3.1%	\$5,024,006	+8.1%
Wine	302,558	+4.8%	\$2,624,849	+5.2%
Spirits	42,857	+0.5%	\$1,781,267	+3.1%
RTD's	227,397	+14.5%	\$1,768,363	+14.1%
Cider	14,474	+0.4%	\$75,774	+2.0%

Source: AC Nielsen – MAT March 2004



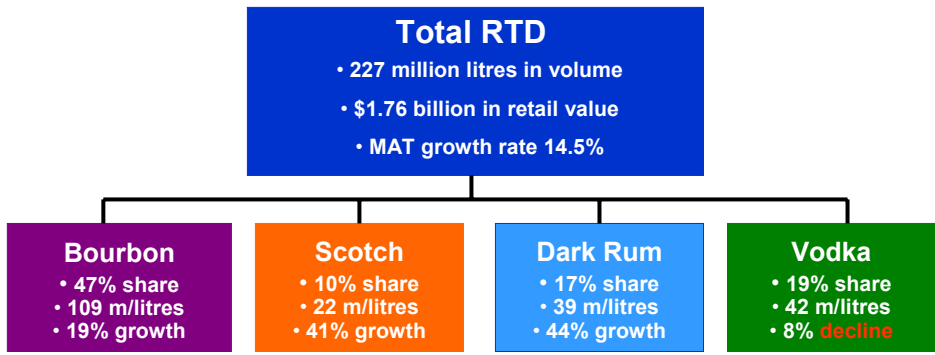
RTD market overview

Source: AC Nielsen – MAT March 2004



RTD market overview

Source: AC Nielsen – MAT March 2004



• 4 key segments make up 93% of total volume.



RTD market overview

Source: AC Nielsen – MAT March 2004

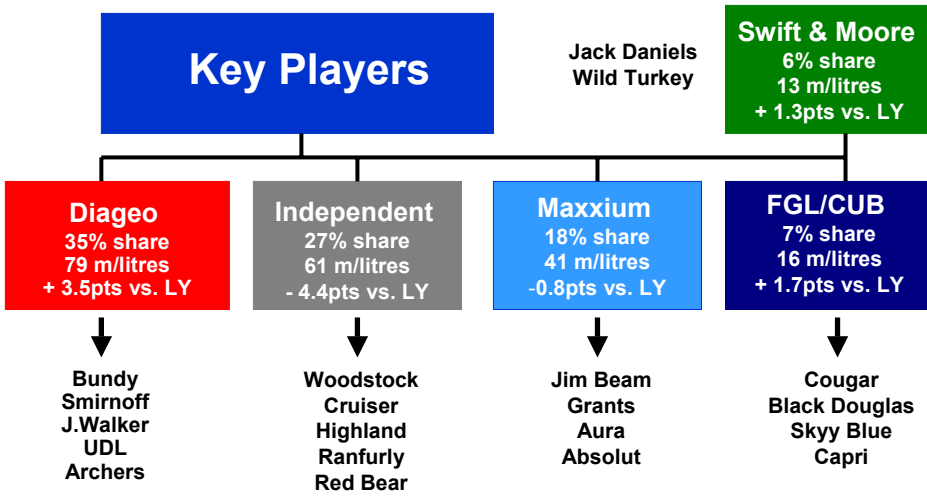
Key Brands



RTD market overview

Source: AC Nielsen – MAT March 2004

Key Players





Source: AC Nielsen – MAT March 2004

Are all RTD's the same?

- > Two very clear and distinct segments exist in the Australian market place, each targeting specific consumers:
 - > **Convenient Cans, 75% (+7.0%) & Fashionable Glass, 25% (-6.8%).**

Convenient Cans

Male skew
 Off premise skew
 Purchased predominately in multi-packs
 Dark spirits skew
 High elasticity – dollar driver

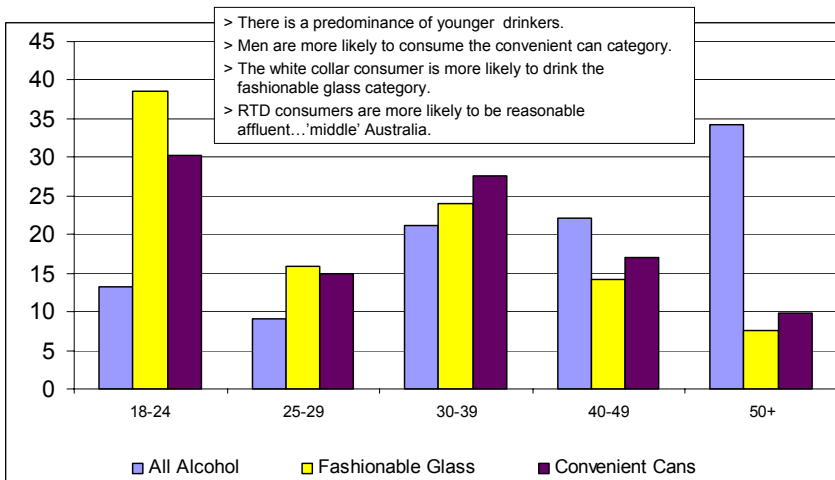
Fashionable Glass

Female skew
 Image conscious
 Purchased in singles
 White spirits skew
 Susceptible to shorter life cycles - fads



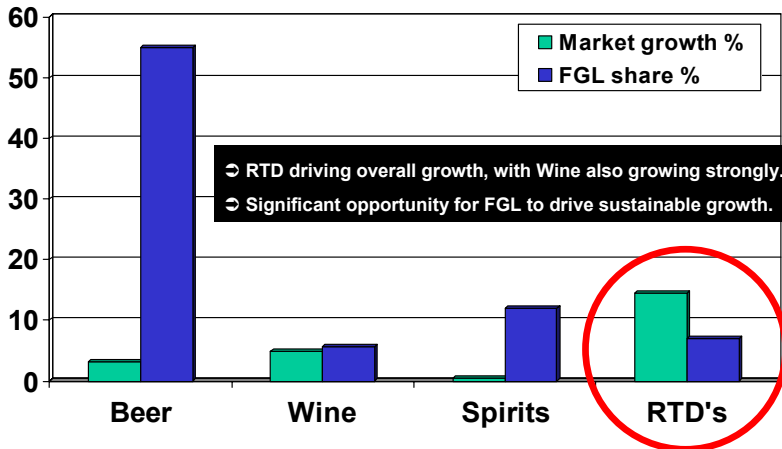
Source: Roy Morgan

Who is drinking them?





FGL portfolio & market position



Source: AC Nielsen – MAT March 2004



FGL portfolio & market position

<p>Bourbon</p> <ul style="list-style-type: none"> > Cougar – 8% share (+2.3pts vs. LY), #3. > Black Jack – value brand, 440mL. 	<p>Scotch</p> <ul style="list-style-type: none"> > Black Douglas – 23% share (+3.0pts vs. LY), #3. 	<p>Vodka</p> <ul style="list-style-type: none"> > Capri Cocktails – 3% share (+1.5pts vs. LY). > Skyy Blue – 1% share, launched Oct 03. 
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Source: AC Nielsen – MAT March 2004



FGL manufacturing sites

- ✓ Glass spirits packing – Botany NSW.
- ✓ CSD / RTD production – Airport West VIC.
- ✓ Cider plants – Campbelltown NSW & Hobart TAS.
- ✓ Draught spirits production – Abbotsford VIC.



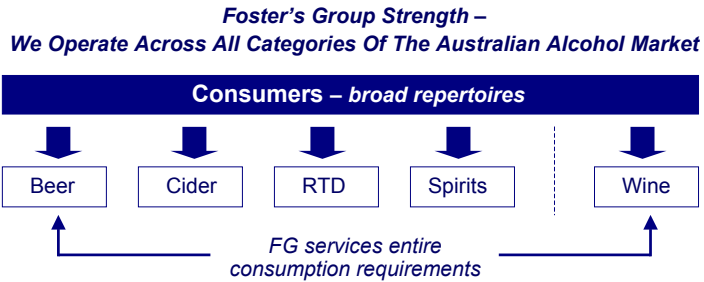
FGL strengths & RTD growth opportunities

- ✓ Participation breadth within total alcohol.
- ✓ Direct distribution model & scale.
- ✓ Brand building commitment & expertise.
- ✓ Operations infrastructure & capability.



Why move to a multi-beverage approach?

- > Consumer repertoires are increasing...don't just drink beer anymore.
- > Provides FGL/CUB with a complete consumer solution.



Total Beverage Approach... What Strategies for Categories ?



- ↻ Grow Category Leadership
- ↻ Focus on Value Creation
- ↻ Innovation is Key

- ↻ Expand Portfolio Aggressively
- ↻ Focus on Revenue Growth and Scale
- ↻ Utilise Our Distribution & Supply Chain Footprint

- ↻ Focus on Quick Wins
- ↻ Plan For the Future
- ↻ Leverage Group Strengths



FGL strengths & RTD growth opportunities

- ✓ Significant upside for volume & margin growth.
- ✓ Accelerated growth plan on core RTD brands.
- ✓ Meaningful innovation & new product/brand development.
- ✓ Leverage international partnerships.



General cost / value comparisons

	Volume	Value	Per case*
Beer	1.5 B/L	\$5.0 B	\$29.88
Wine	303 M/L	\$2.6 B	\$78.08
Spirits	43 M/L	\$1.8 B	\$374.1
RTD's	227 M/L	\$1.7 B	\$69.98

• Spirits (and cider) present FGL with significant opportunity for margin growth.

* \$L/ 9 Lt Equivalents



Industry regulatory issues: Excise

Beer*	< 3% abv	3-3.5% abv	>3.5% abv
Pack <48L	\$30.07 La	\$35.04 La	\$35.04 La
Draught >48L	\$6.01 La	\$18.86 La	\$24.67 La
Other <10% abv	Spirits	Wine	Other
Pack	\$35.04 La	\$35.04 La	\$35.04 La
Draught	\$35.04 La	\$35.04 La	\$35.04 La
Spirits > 10% abv		Brandy	Other
Pack		\$55.43 La	\$59.37 La

* Beer produced for non-commercial purposes 7% of classified rate above. Exemption factor – first 1.011%.



Industry regulatory issues

- ✓ Promotional of responsible consumption
 - ✓ ABAC, APTS, FACTS.
- ✓ Ongoing excise increases (CPI – Feb/Aug).



Summary

- ✓ **RTD's emerging as key segment within alcohol.**
 - ✓ First stop for young adult alcohol drinkers
 - ✓ Double digit volume and value growth

- ✓ **4 key segments make up 93% of total volume.**

- ✓ **Strong growth upside for FGL**
 - ✓ Multi-beverage portfolio approach leveraging distribution strength and scale
 - ✓ Accelerated growth plan on core RTD brands
 - ✓ Incremental volume and margin opportunity



Questions?



Thank You.