

FOSTER'S GROUP LIMITED
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ABN 49 007 620 886



16 September 2004

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

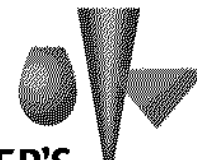
Dear Sir,

Re: Notice of Annual General Meeting

In accordance with Listing Rule 3.17, enclosed is a copy of the Notice of Annual General Meeting to be sent to shareholders.

Yours faithfully,

Robert K. Dudfield
Assistant Company Secretary



FOSTER'S
GROUP

Foster's Group Limited
ABN 49 007 620 886

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of Foster's Group Limited will be held at the Palladium at Crown, Level 1, 8 Whiteman Street, Southbank, Victoria, Australia on Monday, 25 October 2004, at 11:00 a.m.

Business:

Accounts

To receive and consider the concise financial report and the financial report (financial statements, notes and Directors' declaration) for the year ended 30 June 2004, together with the consolidated accounts of the Company and its controlled entities in accordance with the Corporations Act 2001, and the respective reports of the Directors and Auditors.

Resolutions

Re-election of Directors

1. Mr D A Crawford retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
2. Mr B Healey retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Information regarding the candidates for re-election can be found in the accompanying Explanatory Notes.

Special Business:

3. Approval of increase in total amount of non-executive Directors' fees

The resolution set out below will be proposed as an ordinary resolution:

'That the Company approve the increase in the total amount of directors' fees that may be received by the Company's non-executive Directors from \$900,000 to \$1,200,000.'

4. Approval of Foster's Employee Share Grant Plan, Foster's Employee Share Grant Replica Plan and issues of Shares under the Share Grant Plan as an exception to ASX Listing Rule 7.1

The resolution set out below will be proposed as an ordinary resolution:

'That the Directors be and are hereby authorised to:

- (a) establish and in their discretion maintain, with effect from the date of this resolution, the plans proposed to be called the Foster's Employee Share Grant Plan ('Share Grant Plan') and the Foster's Employee Share Grant Replica Plan ('Replica Plan') on

substantially the terms and conditions set out in the draft documents entitled 'Rules of the Foster's Employee Share Grant Plan' and 'Rules of the Foster's Employee Share Grant Replica Plan' respectively, both signed by the Chairman of the meeting for the purpose of identification, and to implement the Plans (where necessary, varied to cater for regulatory requirements and to achieve a similar economic benefit to all employees in such jurisdictions as the Directors deem fit), as amended from time to time;

- (b) issue to participating employees under the Share Grant Plan, ordinary shares in the Company in accordance with the Rules for the Share Grant Plan referred to in paragraph (a), and that such issues of ordinary shares be approved as an exception to ASX Listing Rule 7.1; and
 - (c) make awards to participating employees under the Replica Plan to receive payments in accordance with the Rules for the Replica Plan referred to in paragraph (a).'
5. Approval of the participation of Mr Trevor L O'Hoy, President and Chief Executive Officer of the Company, in the Foster's Long Term Incentive Plan
The resolution set out below will be proposed as an ordinary resolution:
'That subject to the attainment of the relevant performance standards prescribed under the Foster's Long Term Incentive Plan ('Plan'), the Company approve the acquisition of rights in respect of up to a maximum of 340,000 ordinary shares in the Company in respect of the 2004/2005 financial year, by Mr T L O'Hoy, President and Chief Executive Officer of the Company, under the Plan.'

By Order of the Board,

P A Bobeff,
Secretary,
Melbourne, 6 September 2004

Information for Members

1. A member entitled to attend and vote at the meeting may appoint a proxy. If entitled to cast two or more votes, the member may appoint one or two proxies.
2. Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded.
3. A proxy need not be a member of the Company.
4. The Proxy Form must be signed by the member or the member's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act 2001.
5. To be valid, the Proxy Form must be lodged at least 48 hours before the time for holding the meeting by one of the following methods:
 - (a) by mail or in person at the registered office of the Company or the office of the Company's Share Registry:

Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria 3001;

or

Yarra Falls, 452 Johnston Street,
Abbotsford, Victoria 3067, Australia;
 - (b) by facsimile to the Company's Share Registry on (03) 9473 2469; or
 - (c) electronically, by visiting www.fostersgroup.com and clicking on 'AGM Proxy Voting'.
6. If this Proxy Form is executed under a power of attorney which has not been noted by the Company, the power of attorney must accompany the Proxy Form.
7. In the case of joint shareholders, the signature of the senior shareholder will be accepted to the exclusion of the other joint shareholders, and for this purpose seniority is determined by the order in which the names stand in the Register of Members in respect of the joint shareholding. Nevertheless, the names of all joint shareholders should be shown.
8. The Company has determined in accordance with the Corporations Act 2001, that for the purpose of voting at the meeting, shares will be taken to be held by those who hold them at 11:00 a.m. on Saturday, 23 October 2004.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act 2001, in which case the Company will require written proof of the representative's appointment, which must be lodged with or presented to the Company before the meeting.

Voting

In accordance with the ASX Listing Rules, any vote cast on:

- (a) Resolution 3 by Messrs Swan, Crawford, Healey, McGregor and Ould and Mrs Cattermole, or any associate of any of them; and
- (b) Resolutions 4 and 5 by Mr O'Hoy or any associate of him;

will be disregarded, provided that it need not be disregarded if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Explanatory Notes

RESOLUTION 1

Re-election of Mr D A Crawford as a Director

Mr David Crawford B.Com, LLB, FCA, FCPA is a non-executive Director and has been a member of the Board since August 2001. He is 60 years of age. Mr Crawford is Chairman of Lend Lease Corporation Limited, a Director of BHP Billiton Limited, National Foods Limited and Westpac Banking Corporation.

Mr Crawford is Chairman of the Australian Ballet and Treasurer of the Melbourne Cricket Club. Mr Crawford is also on the Advisory Board of Allens Arthur Robinson and is a former partner and National Chairman of KPMG.

Mr Crawford has had extensive experience in risk management and business reorganisation in advising governments and major corporations.

Mr Crawford is Chairman of the Treasury Committee and a member of the Audit and Risk Committee.

Mr Crawford is considered by the Board to be an independent Director.

An assessment of the performance of Mr Crawford and of the Board has been conducted in the context of the skills, experience, knowledge, understanding of Foster's businesses and diversity represented on the Board. Further details of the review are included in the Corporate Governance Statement in the Company's 2004 Annual Report. Subsequently, it was decided (in the absence of Mr Crawford) that the Directors would recommend that shareholders vote in favour of the re-election of Mr Crawford. The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 2

Re-election of Mr B Healey as a Director

Mr Brian Healey is a non-executive Director and has been a member of the Board since December 1993. He is 70 years of age. Mr Healey is Chairman of Centro Properties Limited, Deputy Chairman of Incitec Pivot Limited and a Director of The Foster's Sports Foundation. Until recently Mr Healey was a Director of Orica Limited.

Mr Healey is Chairman of the Compliance Committee and a member of the Audit and Risk Committee and Succession Committee.

Mr Healey has extensive experience in the international consumer products business, including the wine market. He was Chairman of Mildara Blass prior to its acquisition by Foster's. Currently as Chairman of Centro Properties Limited he has exposure to the US retail trade.

Mr Healey is considered by the Board to be an independent Director.

An assessment of the performance of Mr Healey and of the Board has been conducted in the context of the skills, experience, knowledge, understanding of Foster's businesses and diversity represented on the Board. Further details of the review are included in the Corporate Governance Statement in the Company's 2004 Annual Report. Subsequently, it was decided (in the absence of Mr Healey) that the Directors would recommend that shareholders vote in favour of the re-election of Mr Healey. The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 3

Approval of increase in total amount of non-executive Directors' fees

Under Listing Rule 10.17, the Company must not, without the approval of members, increase the total amount of directors' fees payable by it without the approval of members.

The maximum total amount of directors' fees was last approved by the members at the Annual General Meeting held on 23 October 1995 and was set at \$900,000.

At the Annual General Meeting held on 14 November 1988, shareholder approval was given for the remuneration of non-executive Directors to include a retirement agreement providing for one lump sum payment equal to one tenth of their total emoluments for the three years preceding retirement for every year of completed service as a Director up to a maximum of sixteen and two third years of service. In light of the 'Guidelines for non-executive Director remuneration' contained in the ASX Principles of Good Corporate Governance and Best Practice Recommendations which state that non-executive Directors should not be provided with retirement benefits other than statutory superannuation, the Board has determined that no (new) non-executive Directors appointed after July 2003 are to be entitled to receive those retirement benefits. In addition, the Board proposes that, following the passage of Resolution 3, the non-executive Directors' retirement benefits policy will cease, effective 1 January 2005, and at that time the existing retirement benefits accrued by those directors entitled to them will be paid into the accumulation section of the Foster's superannuation fund.

An independent review was also conducted by external consultants in order to determine what level of directors' fees would be appropriate in light of the cessation of the retirement benefits policy and in order to ensure the level of

Explanatory Notes *continued*

non-executive Director remuneration is in keeping with other comparable listed corporations. As a consequence, it is proposed that the maximum total amount of directors' fees be increased from \$900,000 to \$1,200,000.

The Directors do not make any recommendation in respect of this resolution given the interest of the non-executive Directors in the resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 4

Approval of Foster's Employee Share Grant Plan, Foster's Employee Share Grant Replica Plan and issues of Shares under the Share Grant Plan as an exception to ASX Listing Rule 7.1

Summary

Shareholders are asked to approve new employee share plans which are intended to operate in substitution for the Company's existing broad-based employee share plans.

The Directors consider a successful employee share plan is an essential component of a comprehensive human resources policy and will enhance the future prospects of the Company. There is evidence that companies with employee share plans outperform companies without such plans, as measured by indicators such as productivity, profit margins, total returns and management of assets. It is important for the future of the Company that the services of the Company's experienced and motivated team are maintained and its employees are given an opportunity to demonstrate their commitment to the Company and, in return, be able to participate in its future growth with members. The Directors believe that employee share plans are an important part of its remuneration policy. In particular a successful plan can facilitate all employees having a proprietary interest in the Company and aligning their interests with those of shareholders as a whole.

Since 1995, the Company has operated an employee share plan in Australia and a number of other jurisdictions ('Old Plan') under which in each year employees receive an interest free loan to acquire fully paid ordinary shares in the Company ('Shares'). The loan is repaid from dividends on the Shares. In some overseas countries, the interest free loan is impractical to implement because of legal difficulties or taxation consequences for employees. Many overseas-based employees have been offered the chance to acquire Shares by payroll deduction under the International Employee Share Plan introduced in 2001 ('Old International Plan').

The Directors believe the existing plans are unnecessarily complex and, in the case of the loan plan, discourage employee participation due to the magnitude of existing loan

balances. Shareholders are, therefore asked to approve a new plan, the Foster's Employee Share Grant Plan ('Share Grant Plan') under which employees will be granted Shares with a market value of up to a maximum amount to be determined by the Directors, currently intended to be \$1,000. It is intended that in any year the Plan will be conducted to the maximum amount if Directors are satisfied that, in the preceding financial year, the Company satisfied financial performance criteria discussed below. The Shares must not be sold for three years unless the participant leaves the employment of the Foster's Group. In certain overseas jurisdictions a direct grant of Shares may not be possible or practicable and Shareholders are, therefore, also asked to approve the Foster's Employee Share Grant Replica Plan ('Replica Plan'), under which employees may receive cash rewards, as if they had received an equivalent grant of Shares and held them for the three year restriction period.

Reason for the New Plans

The Old Plan and the Old International Plan have successfully operated since their inception and the majority of the Company's eligible employees have had the opportunity to acquire Shares under them.

In recent years, however, a number of difficulties have arisen in the administration of the Old Plan:

- Participating employees who have accepted invitations annually under the Old Plan have accumulated substantial outstanding loans. The Company is concerned that this will result in employees electing in future to not purchase Shares, or purchase a reduced number of Shares than those offered under the Old Plan.
- The Old Plan requires extensive administration and bookkeeping due to the need to track loan balances and the precise date on which employees leave the employment of the Foster's Group. In practice, this administration has proved cumbersome and relatively expensive.
- The offer of an interest free loan has made the Old Plan inappropriate to implement in a number of overseas jurisdictions where the Company has significant number of employees, including the United States. Although many of these employees have acquired shares by payroll deduction under the Old International Plan, the Directors prefer the plan to operate in financially comparable terms among as many employees as possible.
- It was considered that the Old Plan was dilutive of shareholders generally. It is expected that fewer Shares will be issued annually under the Share Grant Plan than formerly.

Accordingly, the Directors (other than Mr O'Hoy who abstained because of his interest in the resolution) have resolved that it is in the best interests of the Company that shareholders approve new employee incentive plans, namely the Share Grant Plan and the Replica Plan, on substantially the terms and conditions set out below to replace the Old Plan and the Old International Plan. If the new Plans are adopted no further offers will be made under the Old Plan or the Old International Plan.

An employee will not receive offers under both the Share Grant Plan and the Replica Plan during any financial year.

Under the Share Grant Plan, subject to the Company meeting financial performance criteria discussed below, employees will be granted Shares in each year to a market value of up to a maximum annual amount determined by the Directors: presently \$1,000. Such a Plan is expected to overcome the difficulties associated with employees accruing loan balances and should prove simple and cost-effective to administer.

The Directors consider that, wherever possible, it is desirable for employees to hold Shares in the Company directly. Accordingly, it is intended that the Share Grant Plan will be implemented in Australia and such overseas jurisdictions where the plan can operate on identical or substantially identical terms as in Australia, with minor modifications to comply with local laws, conditions and regulatory issues, and to take advantage of local tax concessions where possible.

In other overseas jurisdictions, eligible employees will receive offers under the Replica Plan. The major feature of the Replica Plan is that participants do not actually receive Shares, but the Company will be obliged to pay them an amount equivalent to Share ownership over the restriction period under the Share Grant Plan, generally three years, during which employees must retain their shares under that Plan.

Financial Performance Criteria

The Rules of each of the Plans provide that an offer may only be made under the Plans if Foster's achieves a designated financial performance target.

The performance targets will *not* be applicable to the operation of the Plans in 2004/2005 as the Directors believe it is inappropriate that the initial participation of employees be based on past years' results if employees have not been notified of the applicable performance targets.

This performance target is proposed to be the percentage growth in the Company's annual financial performance on a year on year basis, being at or greater than the percentage increase in the Consumer Price Index over that year. The

Company's annual financial performance for this purpose will be the annual consolidated net profit as disclosed in the annual report of the Company, where appropriate normalised on a basis determined by the Directors.

The Directors may substitute an alternative financial performance target if they consider that the result obtained is unrepresentative of the Company's financial performance or otherwise inappropriate.

Plan Rules

A summary of the main terms and conditions of the Share Grant Plan and the Replica Plan appear below. Copies of the draft Rules for the plans are available at the Company's registered office for inspection or by written request to the Assistant Company Secretary.

1 Rules of the Foster's Employee Share Grant Plan

(a) Eligibility

All permanent full and part-time employees of the Company and its associated companies ('Group Companies'), who have completed six months' service, are eligible to participate in the Share Grant Plan. 'Employee' is widely defined and includes executive Directors and overseas employees.

(b) Maximum Amount

It is the intention of Directors to issue invitations to employees to receive up to a maximum of \$1,000 worth of Shares at no cost to the employee. The reason for the amount of \$1,000 is that a taxation concession up to that amount is currently available to employees in Australia.

(c) Price and Number of Shares, and Plan Limit

The Shares are intended to be issued at the weighted average price of the Shares traded on the Australian Stock Exchange during the one week period up to and including the day the Shares are issued. For example, if Directors resolved to issue \$1,000 worth of Shares, and the Shares were issued on 31 August 2004, the issue price would be \$4.65, and employees would therefore receive 215 Shares. Subject to the satisfaction of the financial performance criteria it is intended that invitations will be issued in every financial year.

(d) Plan Limit

The aggregate number of Shares that may be issued under the Share Grant Plan at any time, when added to:

- Shares which may be issued on exercise of any outstanding options granted under other employee share incentive plans operated by the Company;

Explanatory Notes *continued*

- Shares issued under any employee share incentive plan which are not fully paid or on which loans are outstanding in accordance with the terms of the plan;
- Shares which have been otherwise issued under an employee share incentive plan (including the Long Term Incentive Plan) in the period of five years preceding any invitation under the Share Grant Plan;

will not exceed 5% of the Company's issued share capital.

(e) Rights of Shares Allotted under the Share Grant Plan

The Shares are to be registered in the name of each participating employee. Employees are generally entitled to participate in the rights attached to the Shares, including to receive dividends, to vote at general meetings, to participate in bonus issues, rights issues, dividend reinvestment or share investment plans and schemes of arrangement. Participating employees may not, however, voluntarily surrender Shares which are subject to a restriction (refer below under 'Restrictions on Sale') under a share buy-back or reduction of capital or to accept a takeover offer in respect to their restricted Shares, unless a bidder under the takeover exercises its right to compulsorily acquire all remaining Shares of the Company.

(f) Restrictions on Sale

Shares received by employees may not be sold or otherwise disposed of until the earlier of three years after the Shares are issued or the termination of employment with a Group Company.

(g) Administration

The Directors, or such committee or persons delegated by the Directors, will supervise the administration of the Share Grant Plan.

(h) Discretion

The Directors have the right to suspend or terminate future invitations under the Share Grant Plan at any time.

2 Rules of the Foster's Employee Share Grant Replica Plan

(a) Eligibility

All permanent full and part-time employees of the Group Companies, who have completed six months' service, are eligible to receive awards under the Replica Plan. 'Employee' is widely defined and includes executive Directors and overseas employees.

(b) Maximum Amount

It is the intention of Directors to make awards of the same value as invitations issued in the same financial year under the Share Grant Plan (up to \$1,000 per employee).

(c) Entitlements under the Replica Plan

Employees will *not* receive Shares under the Replica Plan, but will instead receive cash payments equivalent to amounts that they would have received had they received Shares under the Share Grant Plan and sold the Shares at the end of the restriction period. The cash entitlement will be calculated using the notion of a 'Base Entitlement' which is a number intended to reflect the number of Shares the employee would have received if they were issued an invitation under the Share Grant Plan. The Base Entitlement is calculated by dividing the monetary value under the award by the weighted average price of the Shares traded on the Australian Stock Exchange during the one week period up to and including the day the award is granted.

Two types of cash payments will be received under the Replica Plan:

- (i) Interim Payments, being cash payments equivalent to the amount received per Share as a dividend or cash return of capital (if any), multiplied by the Base Entitlement; and
- (ii) a Final Payment, being a cash payment equivalent to the weighted average Share price over a one week period when the entitlement arises, multiplied by the Base Entitlement.

The Final Payment is intended to replicate the amount that would be received by the employee if they had 'sold' the equivalent number of Shares as their Base Entitlement. The employee will be entitled to the Final Payment at the earlier to occur of:

- (i) three years after the award is granted;
- (ii) their termination of employment with a Group Company; and
- (iii) such time where Shares are compulsorily acquired, whether under a scheme of arrangement, takeover offer or otherwise.

No Interim Payments will be made in respect of a Base Entitlement after the employee has received the Final Payment.

(d) Adjustments to Base Entitlement

The entitlements to awards under the Replica Plan are purely a right to receive payments. Employees are, therefore, not entitled to participate in any rights attaching to the Shares, including bonus issues, rights issues, and dividend reinvestment or share investment plans. Directors however have the discretion, in the event of a reorganisation or reconstruction of the Share capital, to vary the Base Entitlement to such extent as they determine appropriate.

(e) Administration

The Directors, or such committee or persons delegated by the Directors, will supervise the administration of the Replica Plan.

(f) Discretion

The Directors have the right to suspend or terminate future awards under the Replica Plan at any time.

Approval as exception under ASX Listing Rule 7.1

Shareholders are further specifically requested to approve issues of Shares under the Share Grant Plan as an exception to ASX Listing Rule 7.1. Under that rule, the Company must not, without approval of shareholders, issue or agree to issue more equity securities than 15% of the Company's issued capital in the 12 months before the date of issue. ASX Listing Rule 7.2 provides exceptions to securities counted as part of the 15% limit, including issues made under an employee incentive scheme where members have approved such issues within three years before the date of issue. Approval is sought to treat the issues of Shares under the Share Grant Plan as an exception to ASX Listing Rule 7.1.

The Directors (other than Mr O'Hoy) recommend shareholders vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

RESOLUTION 5

Approval of the participation of Mr Trevor L O'Hoy, President and Chief Executive Officer of the Company, in the Foster's Long Term Incentive Plan ('LTIP')

Under ASX Listing Rule 10.14, a Director of the Company may only participate in an employee share plan where such participation is approved by ordinary resolution of the Company in general meeting or a waiver is granted by the ASX.

The ASX has granted a waiver which extends to the participation by Mr O'Hoy in the Foster's Employee Share Grant Plan (described in relation to Resolution 4 above) including for the year 2004/2005, contingent upon approval by the members of the Foster's Employee Share Grant Plan.

Mr O'Hoy currently participates in the Long Term Incentive Plan ('LTIP').

Under the LTIP, individuals who have the capacity to make an impact on the long term performance of the Company are identified and rewarded if the Company exhibits superior performance over a period of time. Participants may be entitled to ordinary shares in the capital of the Company ('Shares') if certain performance standards are met (see

further below). If participants become eligible to Shares under the LTIP, Shares are issued by the Company at no cost to the participants and are held on trust for participants by the Trustee. Subject to the Shares not being forfeited, participants may elect to have Shares transferred to them within 10 years of the Acquisition Date. The Acquisition Date for the purpose of the LTIP is the date such Shares are acquired by the Trustee and may be three to five years (if extended) after the participant receives an offer to participate in the LTIP.

The performance standard is the Company's performance as measured by total shareholder return ('TSR'), compared with a peer group of companies, which includes listed Australian companies and comparable international beverage companies. TSR measures share price change plus dividends relative to a peer group of companies. A list of the peer group of companies for the September 2003 offer is set out in the Corporate Governance Statement in the Company's 2004 Annual Report and the list to be applicable in respect of the 2004/2005 year will be made available to shareholders on request.

TSR is calculated by an accumulation index, currently determined by Standard and Poor's, based on share price movements of the price of fully paid ordinary shares in each company in a peer group of companies (including Foster's) and dividends paid on such shares. The TSR for each company is ranked from highest to lowest. If the Company's ranking is below the median ranking then, subject to an extension of the performance period of up to two years, there will be no entitlement to Shares. If the Company's ranking is at the median, the entitlement is 50% of the maximum entitlement. If the ranking is between the median and the 85th percentile ranking, the participant is entitled to Shares in proportion to the ranking between 50% and 100% of the maximum entitlement. If the Company's ranking is at or above the 85th percentile in the ranking of peer group companies, the entitlement is 100% of the maximum entitlement. An entitlement is earned only if, in the opinion of the Board, the participant's performance over the period warrants the acquisition by the Trustee of Shares on behalf of the participant.

If a participant leaves the employment of the Company or an associated company between the Offer Date and the Acquisition Date (other than by reason of retirement, redundancy, ill health, death or because the employer of the participant ceases to be an associated company), the participant will no longer be entitled to participate in the LTIP and will not be entitled to any Shares (other than Shares already acquired pursuant to previous offers).

Explanatory Notes *continued*

Prior to a transfer of the Shares from the Trustee, the participant is entitled to receive any bonus issue of Shares, dividends paid and participate in rights issues in respect of Shares held by the Trustee for the benefit of the participant. The participant will be able to direct the Trustee to take up a rights issue on behalf of the participant, but will be required to provide all moneys payable to the Company in relation to a rights issue. A participant may direct the Trustee how to vote at a general meeting.

If, between the Offer Date and the Acquisition Date, there is a change in control of the Company, as set out in the Trust Deed, the participant is entitled to an amount which the Directors decide is appropriate in the circumstances.

A Committee of the Directors supervises the administration of the LTIP and has the right to suspend or terminate the LTIP at any time. Termination of the LTIP would not affect participants' entitlement to Shares.

It is intended that Mr O'Hoy will also participate in respect of the 2004/2005 financial year. The time at which shares will be acquired is in about September 2007 (although this could be extended by up to 2 years) and the number of shares acquired will be dependent on the Company's relative TSR performance.

As described, in respect of Mr O'Hoy's 2004/2005 participation, it is proposed that he be entitled to a maximum of 340,000 Shares, but only if the Company's TSR ranking is at the 85th percentile ranking or above. If the Company achieves the median ranking, it is proposed that Mr O'Hoy will be entitled to 170,000 Shares. If the Company does not achieve the median ranking, Mr O'Hoy will be entitled to no Shares in respect of the 2004/2005 participation. The estimated value of the right to participate to the maximum of 340,000 Shares is \$666,400 taking account of the impact of the performance hurdle and the probability of the maximum number of shares being achieved.

Details of Mr O'Hoy's previous entitlements to acquire Shares under the LTIP are set out in the Corporate Governance Statement in the Company's 2004 Annual Report.

Any shares acquired by the Trustee for Mr O'Hoy under the LTIP will be issued at an issue price to be set by the Company and Mr O'Hoy will receive the shares at no cost to him.

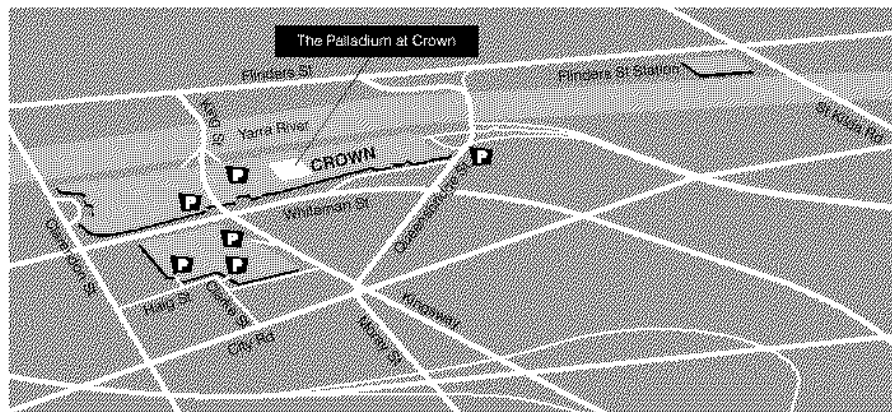
ASX has granted a waiver which entitles Shares to be issued to the trustee for the benefit of Mr O'Hoy as and when an obligation to issue arises. In the case of the 2004/2005 participation, this is dependent on shareholder approval of this Resolution 5.

No Director or associate of a Director of the Company, other than Mr O'Hoy, has participated or is entitled to participate in any of the plans and, unless an ASX waiver is obtained in respect of such persons, no such Director or person will participate without approval being obtained at a general meeting.

The Directors (other than Mr O'Hoy who abstained because of his interest in the resolution) have resolved that:

- in their view, the overall remuneration of Mr O'Hoy, which includes his participation in the LTIP, is reasonable having regard to the circumstances of the Company and of Mr O'Hoy; and
- it is in the best interests of the Company for Mr O'Hoy to participate in the LTIP and recommend that shareholders vote in favour of the resolution.

The Directors (other than Mr O'Hoy) recommend shareholders vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.



Annual General Meeting

Palladium at Crown,
Level 1, 5 Whiteman Street,
Southbank, Victoria, Australia
Monday, 25 October 2004,
at 11:00 a.m.



Foster's Group Limited Statement pursuant to Section 249P of the Corporations Act

Foster's has performed poorly over the three years ended 2003. Performance figures are not available for 2004 at the date of this statement, but total shareholder return was -0.3% over the three years ended 2003 compared with an ASX sector return of 6.5%. Basic EPS was 24 cps in 2000 and fell to 22.3 cps in 2003. The board must be held accountable for this poor performance.

The ASA believes that the directors of Foster's ignored their shareholders when the float of the Australian Leisure and Hospitality business (ALH) was made in late 2003. This business was wholly owned by Foster's shareholders and they should have received a pro-rata entitlement in a float. Instead they were invited to subscribe for shares at \$2.40 each and had their application scaled back to 1,000 shares. Only thirty million shares, 8.5% of the ALH total number, were allotted under the shareholder offer. It appears the board was persuaded by Macquarie Bank to allow institutions and broker clients to purchase the business via a share float. In a final gesture of disdain to Foster's shareholders 115 million shares, 32% of the total, were offered to institutional shareholders at \$2.00 per share. This price was 16% below the price Foster's shareholders were forced to pay.

It also appears that the board did not approach some potential trade purchasers for the ALH business because this could upset some of Foster's customers. The board should have realised that once ALH was floated it was open to any customer to make a takeover offer for ALH. The real beneficiaries of the ALH float were Macquarie Bank (by way of fees) and institutional shareholders.

An independent report has valued ALH at a minimum of \$3.19 per share, considerably more than the price received by Foster's of approximately \$2.33 per share only eight months ago. This additional value, over \$300 million in total, should have been realised by Foster's shareholders and the board must be held accountable for this significant loss in value.

Directors, Brian Healey and David Crawford, will seek re-election at the annual general meeting on 25 October. Both directors have been in place during the ALH transaction. Further, David Crawford has a workload in excess of ASA guidelines, with additional directorships at BHP Billiton, National Foods and Westpac and as chairman at Lend Lease. The only way shareholders can hold directors accountable for poor performance and loss of shareholder value is to vote against directors standing for re-election. They do not deserve shareholders support.

If you would like to nominate a representative of the ASA to act as your proxy for voting at the AGM please insert the name "**Australian Shareholders' Association**" on the proxy form and direct your vote for each resolution. If the proxy form requires an address please insert **PO Box 519, Chatswood, NSW 2059**.

For details on how the ASA will exercise any undirected proxies please visit our website www.asa.asn.au or telephone 1300 888 979.

Please do not send your proxy form to the ASA. After completion please lodge it in accordance with the instructions on the proxy form itself.

FOSTER'S GROUP LIMITED

ABN 49 007 620 886

Proxy Form

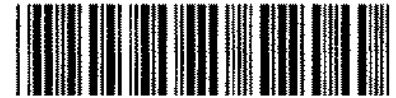
All correspondence to:
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 134 708
 (outside Australia) 61 3 9415 4022
 Facsimile 61 3 9473 2469
 web.queries@computershare.com.au
 www.fostersgroup.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



SAMPLE CUSTOMER
 SAMPLE STREET
 SAMPLE STREET
 SAMPLE STREET
 SAMPLE STREET
 SAMPLETOWN TAS 7000

Securityholder Reference Number (SRN)

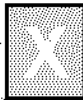


FGL

Appointment of Proxy

I 1234567890 I N D

I/We being a member/s of Foster's Group Limited and entitled to attend and vote hereby appoint



the Chairman
 of the Meeting
 (mark with an 'X')

OR

Write here the name of the person you are appointing if
 this person is **someone other than** the Chairman of the
 Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Foster's Group Limited to be held at the Palladium at Crown, Level 1, 8 Whiteman Street, Southbank, Victoria on Monday 25 October 2004 at 11:00 am and at any adjournment of that meeting.

IMPORTANT: FOR ITEMS 3, 4 AND 5 BELOW.



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Items 3, 4 and 5 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 3, 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each item.

Voting directions to your proxy - please mark to indicate your directions

	For	Against	Abstain*		For	Against	Abstain*
Item 1 Re-election of Mr DA Crawford as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 4 Approval of Foster's Employee Share Grant Plan, Foster's Employee Share Grant Replica Plan and issues of Shares under the Share Grant Plan as an exception to ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Mr B Healey as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5 Approval of the participation of Mr Trevor L O'Hoy, President and CEO of the Company, in the Foster's Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Approval of increase in total amount of non-executive Directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy (see reverse)

I/We wish to appoint a second proxy



Mark with an 'X' if you
 wish to appoint a second
 proxy.

AND

 %

OR

State the percentage of your voting rights or the number
 of securities for this Proxy Form.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

FGL

5 PR

007101_V 006/06



How to complete this Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'X') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- indicate that you wish to appoint a second proxy by marking the box.
- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the meeting commences at 11:00am on Monday, 25 October 2004. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

BY WEB Visit www.fostersgroup.com and click on "AGM Proxy Voting" icon
BY MAIL Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
IN PERSON Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
Registered Office - 77 Southbank Boulevard, Southbank VIC 3006 Australia
BY FAX 61 3 9473 2469