FOSTER'S

GROUP PACIFIC LIMITED
& SUBSIDIARY COMPANY

ANNUAL REPORT

2010

FOSTER'S GROUP PACIFIC LIMITED AND SUBSIDIARY COMPANY

FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010

Contents

NOTICE OF MEETING

Notice is hereby given of the 53rd Annual General Meeting of the Members of Foster's Group Pacific Limited to be held at the Foster's Group Pacific Limited Board Room, 122-164 Foster Road, Walu Bay, Suva, on Thursday, 4th November 2010 at 10:00 am.

ORDINARY BUSINESS:

1. To receive and confirm Minutes of the 52nd Annual General Meeting of the Company held on 5th November 2009.

2. To receive and consider the Accounts and Balance Sheets for the year ended 30 June 2010 and the Directors' and Auditors' Reports.

3. To declare a final dividend of $1,561,218.75 as recommended by the Directors.

4. To elect a Director to fill a casual vacancy caused by the resignation during the year, under the Company's Articles of Association, of Mr David Grant. Mr Grant Peck, Executive of Foster's Group Limited Australia, was appointed by the Board to fill this casual vacancy, and being eligible, offers himself for re-election in accordance with Article 82 of the Company's Articles of Association.

5. To elect a Director to fill a casual vacancy caused by the resignation during the year, under the Company's Articles of Association, of Mr Ross Shaw. Mr Michael Stoneman, Executive of Foster's Group Pacific Limited, was appointed by the Board to fill this casual vacancy, and being eligible, offers himself for re-election in accordance with Article 82 of the Company's Articles of Association.

6. To elect a Director to fill a casual vacancy caused by the resignation during the year, under the Company's Articles of Association, of Mr Shaun Brooks. Mr Simon Friars, Executive of Foster's Group Limited Australia, was appointed by the Board to fill this casual vacancy, and being eligible, offers himself for re-election in accordance with Article 82 of the Company's Articles of Association.

7. To elect a Director to fill a vacancy caused by the retirement, by rotation, under the Company's Articles of Association, of Mr Stephen Matthews, and being eligible, offers himself for re-election.

8. To appoint Auditors and authorise the Directors to fix their remuneration. PricewaterhouseCoopers retire in accordance with the Articles of Association and being eligible, offer themselves for re-election.

9. To transact any other business which may be brought forward in accordance with the Company's Articles of Association

By order of the Board
Alfred Chan
Company Secretary
7 October 2010
Suva, Fiji

PROXIES

1. A member who is unable to attend the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. The proxy need not be a member of the company.

2. A proxy form is enclosed with this Annual Report. To be effective the form must reach the registered office of the company, 122-164 Foster Road, Walu Bay, Suva no less than 48 hours before the time for holding the meeting.

CORPORATE GOVERNANCE STATEMENT

Foster's Group Pacific Limited (FGPL) supports the Reserve Bank of Fiji (RBF) Corporate Governance Code for the Capital Markets as well as the Listing Rules of the South Pacific Stock Exchange (SPSE).

We are committed to delivering best practice in corporate governance and transparency in reporting, in accordance with guidelines specified in the RBF Code as well as the SPSE Listing Rules.

As a subsidiary company of Foster's Group Limited (FGL) in Australia, FGPL is also bound by the charters, codes and policies in respect of Foster's internal corporate governance practices referred to in this Statement. These are available on the corporate governance section of Foster's Group website – ***www.fostersgroup.com***

Principle 1: Establish clear Responsibilities for Board oversight

The FGPL Board is responsible for the overall corporate governance of the Company. The FGPL Constitution sets out the objectives of the Board and also specifies the Board's responsibilities towards achieving these objectives.

The Board has delegated responsibility for operating and administering the Company to the General Manager Pacific Operations FGPL, who is accountable to the Board for the performance of these duties.

Principle 2: Constitute an effective Board

The FGPL Articles of Association specifies the number of Directors may not be less than the number required by the Companies Act (currently three) or more than six.

The Board has determined that, for the time being, the maximum number of Directors is five.

Directors
The members of the Board as at the date of this report are:

Stephen Matthews (since 2008)
Grant Peck (since April 2010)
Simon Friars (since May 2010)
Michael Stoneman (since April 2010)
Cecil Browne (since 2009) *Non Executive Director*

With the exception of the non executive director, the Board is made up of senior executives of Foster's Australia Limited. These Directors bring a wide range of technical expertise and operational knowledge ranging from production, finance, marketing and sales into the Pacific businesses. In addition, on an operational basis, there is direct reporting as well as policy and procedure compliance requirements that require oversight and sign off from our Foster's Australian based Directors.

Principle 3: Appointment of a Chief Executive Officer

The Board appoints the General Manager, FGPL in accordance with the Articles of Association for such term and at such remuneration as they deem, appropriate after a formal process of appointment and selection, strictly in accordance with Foster's Recruitment and Selection Policy.

Principle 4: Board and Company Secretary

The Board appoints the Company Secretary of FGPL in accordance with the Articles of Association for such term and at such remuneration as they deem approprite, after a formal process of appointment and selection, strictly in accordance with Foster's Recruitment and Selection Policy.

CORPORATE GOVERNANCE STATEMENT (continues)

Principle 4: Board and Company Secretary (continues)

The Company Secretary ensures that statutory requirements and compliance, Board policy and procedures are followed as well as timely completion and dispatch of Board agenda and briefing materials.

Principle 5: Timely and balanced disclosure

FGPL complies with its disclosure obligations under the SPSE Listing Rules and the Companies Act, and has developed procedures for managing compliance.

Annual Reports of the Company are compiled and prepared annually and contains salient and material information in accordance with SPSE Listing Rules and guidelines.

FGPL also has a formal vetting and authorisation process for all company announcements which are made from time to time to the SPSE, regulatory authorities and stakeholders.

Principle 6: Promote ethical and responsible decision-making

FGPL recognises that its reputation is one of its most valuable assets, and is founded largely on the ethical behaviour of the people who represent the Company.

The Board has adopted the Foster's Group global Code of Conduct that sets out the principles for ethical behaviour for all Company personnel. This ethical framework provides the foundation for maintaining and enhancing Foster's reputation.

Foster's Code of Conduct commits its Directors, employees, contractors and consultants to comply with the laws of the country in which it operates, also to conduct business with integrity, honesty and fairness in accordance with the highest ethical conduct as a supplier of alcoholic beverages in Pacific markets.

Any breach of the Code of Conduct is a serious matter that may give rise to disciplinary action, including dismissal and legal action.

Principle 7: Register of interests

The Company has procedures in place for reporting any matter which may give rise to a conflict between the interests of a Director and those of the Company.

Employees are also required annually to disclose arrangements where potential conflicts may arise. A register of interests declared is maintained by the Company Secretary. When a potential conflict of interest arises, employees must advise the Company Secretary and their immediate Supervisor. A decision is then made as to whether the reported activities may continue.

Where the Board is considering a matter in which a Director has a material personal interest that Director may not be present during Board or Board Committee discussions nor vote on the matter.

Principle 8: Respect the rights of Shareholders

The FGPL Board adopts the Foster's Shareholder Communication Policy which encourages and promotes effective communication with shareholders and effective participation at General Meetings.

Issues and concerns raised by shareholders at Annual General Meetings are fully discussed by the Board and replies communicated to all shareholders by mail and an announcement to the South Pacific Stock Exchange for posting on the SPSE website.

CORPORATE GOVERNANCE STATEMENT (continues)

Principle 8: Respect the rights of Shareholders (continues)

In addition, the external auditor attends the Annual General Meeting and is available to answer shareholder questions about:

- Conduct of the audit
- The preparation and content of the auditor's report
- The accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- The independence of the auditor in relation to the conduct of the audit

Principle 9: Accountability and audit

In accordance with the Articles of Association, shareholders appoint the Company's external auditors at each Annual General Meeting. The role, responsibilities and reporting channels of the external auditors are clearly defined by the Board, in consultation with FGL Board Audit Committee.

During the year, the Board also appointed a Pacific Board Audit Committee comprising four (4) FGPL Board members as well as the Senior Partner of the external audit firm engaged in the FGPL external audit.

The Pacific Board Audit Committee provides independent oversight over the Company's internal control and operations in addition to verifying and safeguarding the integrity of the Company's financial reporting.

The review and findings of the Pacific Board Audit Committee are reported to the FGL Board Audit Committee in Australia.

In addition, an independent internal auditor has also been appointed by the FGL Board Audit Committee to provide internal audit review and health checks of all Foster's Pacific entities, reporting through the Pacific Board Audit Committee.

Principle 10: Recognise and manage risk

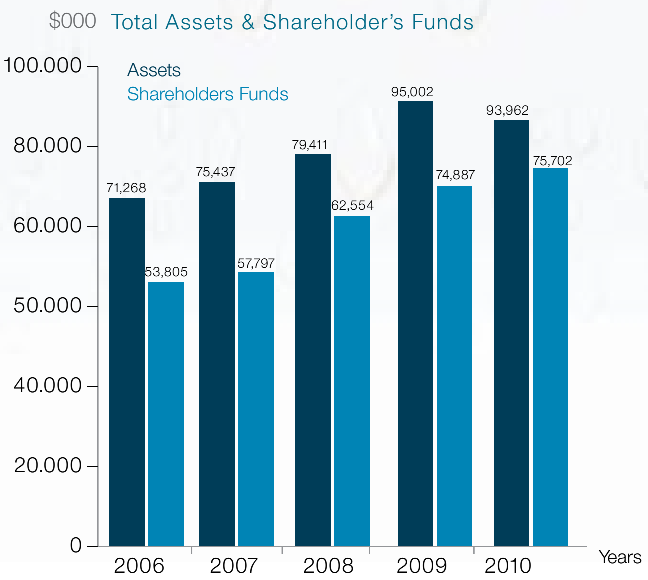
The FGPL Board has adopted the Foster's Group Risk and Assurance Framework and supporting processes to oversee and manage risk. The processes to support the Framework are under ongoing review and include:

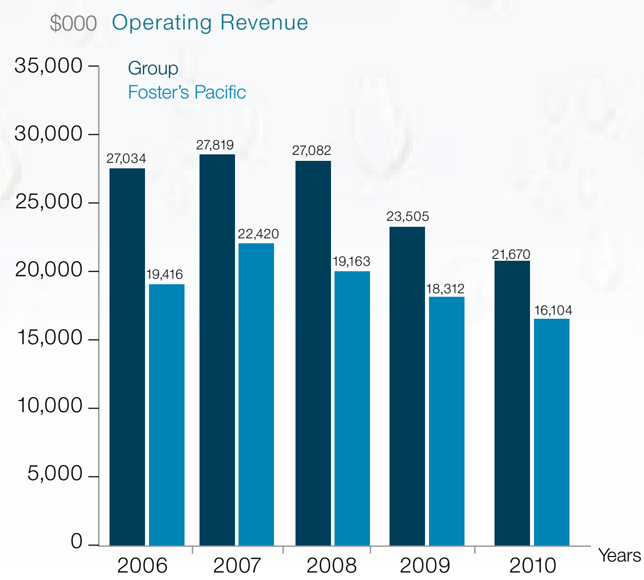
- ***Risk management system*** that enables the identification, management and reporting of risk throughout the business. The system deals with risk at all levels, including strategic, operational, compliance and financial risks;
- ***Crisis and incident management system*** that facilitates the reporting of all incidents to management and the escalation of potentially serious issues that may affect Pacific operations, brands or corporate reputation to more senior levels of management and appropriate corporate personnel. The system is designed to ensure that potentially critical issues are reported quickly and shared with the right people to enable Foster's Group to implement an effective and timely response;
- ***Regular reports*** by management to Directors, both oral and written, in addition to the compliance reporting program that covers financial standing, operating results and business risks to the Foster's Group;
- ***Control Self Assessment process*** whereby relevant staff assess the effectiveness of controls in the processes and systems they are responsible for administering in a fashion that assists the provision of the annual declaration referred to on Page 14 of this Annual Report;
- ***Clearly defined organisation structure*** with approved authority limits;
- ***Annual budgeting and monthly reporting systems*** for Pacific businesses which enable progress against strategy and annual plan to be monitored, trends to be evaluated and variances addressed;
- ***Procedures*** relating to capital expenditure, asset and liability management;
- ***Policies*** to manage financial risks;
- ***Appropriate due diligence procedures*** for corporate acquisitions and disposals;
- ***Risk engineering program*** that is aimed at reducing the risk of damage to property and interruption to business activities; and
- ***Comprehensive Pacific wide insurance program***

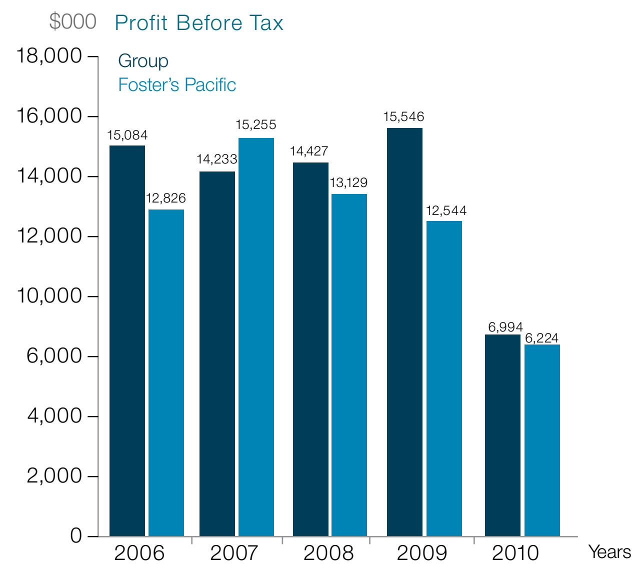
OPERATING RESULTS PERFORMANCE HIGHLIGHTS

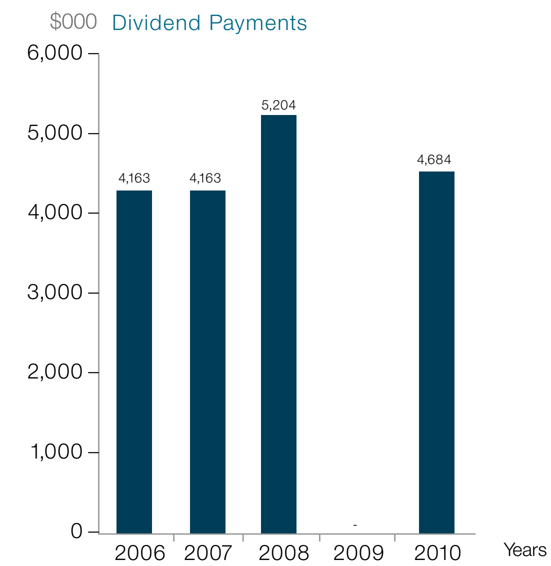
	GROUP					HOLDING COMPANY				
	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
Sales Revenue	73,514	65,015	66,623	64,695	61,518	48,258	43,914	43,311	41,536	40,013
Operating Revenue ($,'000)	21,670	23,505	27,082	27,818	27,034	16,104	18,312	19,163	22,420	19,416
EBIT($,'000)	6,994	15,644	14,551	14,220	15,035	6,224	12,544	13,129	15,273	12,985
NPAT($,'000)	5,357	10,595	10,292	8,301	8,938	5,015	8,835	10,093	10,792	8,787
Gross Margin ($,'000)	21,169	23,098	26,929	27,075	26,975	14,777	16,430	16,201	14,948	14,394
Operating Ratios										
Gross Margin Conversion to NSR [%]	29%	36%	40%	42%	44%	31%	37%	37%	36%	36%
EBIT/NSR Conversion [%]	10%	24%	22%	22%	24%	13%	29%	30%	37%	32%
NPAT/Sales Revenue [%]	7%	16%	15%	13%	15%	10%	20%	23%	26%	22%
Financial Position										
Total Assets ($,'000)	93,962	95,002	79,411	75,437	71,268	77,727	78,319	70,635	65,114	58,767
Total Liabilities ($,'000)	16,632	18,519	15,612	16,407	16,050	9,645	10,568	9,117	9,006	9,288
Net Assets	77,330	76,484	63,799	59,030	55,218	68,082	67,751	61,518	56,108	49,479
Financial Position Ratios										
Gearing [%]	22%	24%	24%	28%	29%	14%	16%	15%	16%	19%
Cash Flows										
Net cash from operating ($,'000)	11,177	10,849	11,112	3,967	11,876	10,386	8,936	10,715	7,936	11,829
Net cash used in investing($,'000)	5,724	8,686	8,948	1,248	2,992	3,976	8,493	8,927	843	1,605
Net cash flow used in financing ($,'000)	4,725	2,684	4,875	4,330	8,486	4,684	2,602	4,684	4,163	8,160
Key Measures										
Earning per share (EPS)	0.51	1.00	0.97	0.77	0.83					
Return on Net Assets [%]	7%	14%	16%	14%	16%	7%	13%	16%	19%	18%

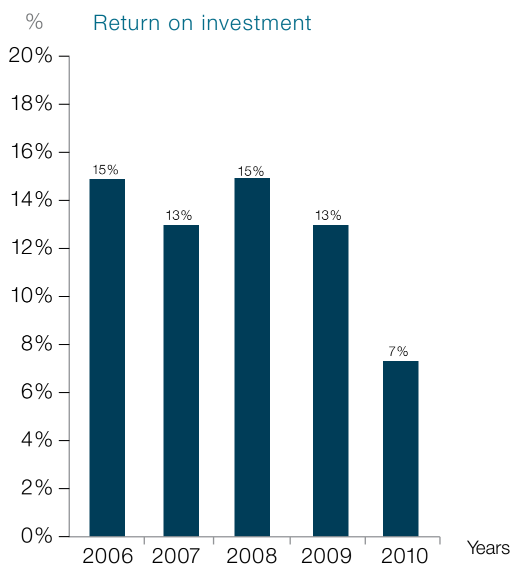
OPERATING RESULTS
FINANCIAL HIGHLIGHTS












BEER
BIERE
LESS FILLING
355mL

Vision

Where **Foster's plays**...Foster's **wins**

CHAIRMAN'S REPORT

BUSINESS ENVIRONMENT
The 2010 trading year presented a very tough economic environment for our Pacific businesses, driven by the continuing global recession, increasing energy prices and high inflation.

High global oil prices and a weak Fiji Dollar continued to fuel inflation and placed significant pressure on costs of production and sales. These business conditions also adversely affected sales demand with some of our customers experiencing financial difficulties.

In Fiji, the tourism sector recovered compared to the previous year, buoyed by a weak Fiji dollar. Sugar production performance, on the other hand, resulted in lower production yields compared to last year. Other sectors of the economy also reported below forecast performance.

Trading conditions in both Samoa and American Samoa were also difficult, driven by high inflation, continued uncertainty around the right hand drive conversion and the future of the American Samoan fish canneries. These events, combined with the global economic climate, resulted in a decline in beer volumes in Samoan markets.

Against this very difficult backdrop, I am pleased to announce the results posted by Foster's Group Pacific Limited (FGPL) for the year ending 30 June 2010.

BUSINESS ISSUES
During the year, our businesses also faced difficult operational issues. Growth was generally flat, constrained by domestic economic conditions.

In January 2010, a new management group from Carlton & United Breweries (a division of Foster's Group Limited) was appointed to oversee Pacific operations. Following these appointments, an internal business review was conducted with review outcomes focusing on:-

- An Asset Maintenance Upgrade program in Pacific production facilities to support existing and future growth in Fiji and Samoa costing an estimated F$3-F$5m across F11 and F12.
- An organisational structure change to support these growth opportunities. Specifically, the creation of an integrated Pacific-wide supply management function with direct operational links to Carlton & United Breweries in Australia.
- Identification and write off of excess bottle stock in Samoa of F$2.5m.

FINANCIAL RESULTS
Overall consolidated sales volumes increased marginally by 0.63% from 3.498 million nine litre cases in 2009 to 3.520 million nine litre cases in 2010. Sales revenue increased by 13.07% from F$65.015m in 2009 to F$73.514m in 2010.

Group Operating Profit decreased by 55.29% from $15.644m in 2009 to $6.994m in 2010. This decrease was driven by:-

- cost of sales increase of $2.0m during the year due to increased production input prices and asset maintenance upgrade;
- increase in selling, marketing and distribution costs of $1.0m due to increased investment in brand advertising, trade promotion activities, trade marketing and transfer costs between warehouses;
- increase in administration and other expenses of $5.3m over last year due to a $1.3m increase in provision for doubtful debts, employee provisions and costs of $0.9m, one off glass write off in Samoa of $2.5m. This was offset by a favorable $0.6m forex adjustment last year;

Key FGPL financial highlights are as follows:

- Profit after tax decreased by 49.11% to $5.286m from $10.389m last year
- Operating profit before Interest & Tax (EBIT) decreased by 55.3% to $6.994m from $15.644m last year.

- Return on Equity (ROE) decreased to 6.9% from 13.9% last year.
- Earnings per share decreased to $0.51 per share from $1.00 per share last year.

Fiji beer sales volumes increased marginally for the year by 1.63% to 1.997 million nine litre cases, compared to 1.965 million nine litre cases for the same period last year. Spirits, RTD products and imported wine volumes increased by 4.37% to 0.210 million nine litre cases, compared to 0.201 million nine litre cases for the same period last year.

Sales revenue increased by 9.89% from $43.9m to $48.3m for the same period last year. Increased sales revenues were largely driven by pricing movements required to partially offset the impact of higher input costs.

Cost of sales increased by 21.82% from $27.5m last year to $33.5m this year, due to increased costs of production driven by imported raw and packaging materials prices as well as higher utilities costs.

Gross margins were down -10.1% from $16.430m last year to $14.777m this year driven by higher cost of sales.

Selling, marketing, distribution and administration expenses increased by 71.3% from $5.8m last year up to $9.9m this year due to $1.3m increase in provision for doubtful debts, employee provisions and costs of $0.9m and offset by a favorable $0.6m forex adjustment last year.

Operating profit before interest and tax for the 12 months decreased by -50.4%, from $12.544m last year to $6.224m this year.

Samoa Breweries Limited recorded a -71.1% decrease in after-tax profit performance (unadjusted) to SAT$1.5m in June 2010 from SAT$5.2m in June 2009, driven by higher costs of sales, asset maintenance and a one off glass write off of $2.5m.

Beer sales volumes increased by 3.1% from 0.681 million nine litre cases in 2009 to 0.702 million nine litre cases in 2010. Soft drink sales volumes decreased by -6.4% from 0.651 million nine litre cases in 2009 to 0.610 million nine litre cases in 2009. Earnings per share decreased from SAT$0.46 last year to SAT$0.13 this year.

Based on this performance your Directors recommend a final dividend of $0.15 per share, bringing the annual dividend to $0.30 per share.

On behalf of the Board, I would like to thank the management team and our employees for their efforts over the past year.

The business outlook for 2011 will be dependent on how the Pacific Islands manage their economies as the global economy recovers from recession. Our focus will be to continue to improve business efficiencies and capability, and to provide the highest quality products and service to our customers and consumers.

Stephen Matthews
CHAIRMAN
28th September 2010

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2010

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors herewith submit the statements of financial position of the group and of the company as at 30 June 2010, and the related statements of comprehensive income, changes in equity and cash flows for the year ended on that date and report as follows:

1. DIRECTORS

The following were directors of the company at any time during the financial year and up to the date of this report:

Ross Douglas Shaw resigned on 27 March 2010
Shaun Christopher Brooks resigned on 13 April 2010
Stephen Matthews
David Grant resigned on 17 April 2010
Cecil Browne
Grant Peck appointed on 7 April 2010
Michael Stoneman appointed on 7 April 2010
Simon Friars appointed on 5 May 2010

2. PRINCIPAL ACTIVITIES

The principal activities of the group are the manufacture and sale of beer, ready-to-drink alcoholic beverages and soft-drinks, distribution of wines as well as the distillation and sale of potable and industrial alcohol.

3. TRADING RESULTS

The profit after income tax of the group for the year ended 30 June 2010 was $5,286,367 (2009: $10,389,037) and for the holding company was $5,015,239 (2009: $8,835,385).

4. RESERVES

The directors recommend that no amounts be transferred to reserves in respect of the year ended 30 June 2010.

5. DIVIDENDS

During the year, the 2009 interim dividend of $1,561,218.75 was paid and the 2009 final dividend amounting to $1,561,218.75 and a 2010 interim dividend of $1,561,218.75 were declared and paid.

6. BAD AND DOUBTFUL DEBTS

The directors took reasonable steps before the financial statements were made out to ascertain that all known bad debts were written off and adequate provisions were made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

7. CURRENT ASSETS

The directors took reasonable steps before the financial statements were made out to ascertain that the non current assets of the company and of the group were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements misleading.

8. EVENTS SUBSEQUENT TO BALANCE DATE

No charge on the assets of the holding company and its subsidiary has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.No contingent liability has arisen since the end of the financial year to the date of this report.

DIRECTORS' REPORT (continues)
YEAR ENDED 30 JUNE 2010

8. EVENTS SUBSEQUENT TO BALANCE DATE (ontinues)

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the holding company and its subsidiary to meet its obligations when they fall due.

9. BASIS OF ACCOUNTING

The directors believe the basis of the preparation of financial statements is appropriate and the company and its subsidiary will be able to continue in operation for at least 12 months from the date of this statement. Accordingly the directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

10. OTHER CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which render any amounts stated in the financial statements misleading.

11. UNUSUAL TRANSACTIONS

The results of the company and its subsidiary's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

12. DIRECTORS' INTERESTS

During the year, Cecil Browne acquired 500 shares in the company.

13. DIRECTORS' BENEFITS

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors shown in the company accounts) by reason of a contract made by the company or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

14. GROUP CONTRIBUTION

Contributions to group profit after income tax are as follows:

	Contribution	
	2010 $	2009 $
Foster's Group Pacific Limited	4,005,412	7,068,867
Subsidiary Company- Samoa Breweries Limited	1,280,955	3,320,170
	5,286,367	**10,389,037**

For and on behalf of the Board:

Director
Stephen Matthews
28 September 2010

Director
Grant Peck

STATEMENT BY DIRECTORS
YEAR ENDED 30 JUNE 2010

In accordance with a resolution of the board of directors, we state that in the opinion of the directors:

(a) the accompanying statements of comprehensive income are drawn up so as to give a true and fair view of the results of the company and of the group for the year ended 30 June 2010;

(b) the accompanying statements of financial position are drawn up so as to give a true and fair view of the state of affairs of the company and of the group at 30 June 2010;

(c) the accompanying statements of changes in equity are drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2010;

(d) the accompanying statements of cash flows are drawn up so as to give a true and fair view of the cash flows of the company and of the group for the year ended 30 June 2010;

(e) at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due; and

(f) all related party transactions have been adequately recorded in the books of the company.

For and on behalf of the Board of Directors by authority of a resolution of the directors.

Director
Stephen Matthews
28 September 2010

Director
Grant Peck

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Foster's Group Pacific Limited

We have audited the accompanying financial statements of Foster's Group Pacific Limited (the 'Company') and the consolidated financial statements of the Company and its subsidiary (together the 'Group'). The financial statements comprise the balance sheets of the Company and the Group as of 30 June 2010 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 16 to 42.

Directors' and Management's Responsibility for the Financial Statements
Directors and Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
This report is made solely to the Company's shareholders, as a body, in accordance with Section 165(1) of the Fiji Companies Act 1983. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors and management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion

(a) proper books of account have been kept by the Company and its subsidiary, so far as it appears from our examination of those books, and
(b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:
  (i) are in agreement with the books of account;
  (ii) to the best of our information and according to the explanations given to us:

    a) give a true and fair view of the state of affairs of the Company and Group as at 30 June 2010 and of their financial performance, changes in equity, and their cash flows for the year ended on that date;
    b) give the information required by the Fiji Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.

6 October 2010
Suva, Fiji

PricewaterhouseCoopers Suva, Fiji
Chartered Accountants

STATEMENTS OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2010

	Notes	GROUP 2010 $	GROUP 2009 $	HOLDING COMPANY 2010 $	HOLDING COMPANY 2009 $
Continuing operations					
Revenue	6	73,514,255	65,015,019	48,258,478	43,914,375
Cost of sales		(52,345,606)	(41,916,585)	(33,481,195)	(27,484,609)
Gross profit		21,168,649	23,098,434	14,777,283	16,429,766
Other operating revenue		501,384	406,884	1,327,194	1,881,844
Selling, marketing and distribution expenses		(5,134,651)	(4,031,342)	(4,101,592)	(3,126,965)
Administration and other expenses		(9,541,637)	(3,830,095)	(5,778,855)	(2,640,993)
Operating profit		6,993,745	15,643,881	6,224,030	12,543,652
Finance costs - net		-	(98,264)	-	-
Profit before income tax	7	6,993,745	15,545,617	6,224,030	12,543,652
Income tax expense	8	(1,636,757)	(4,950,130)	(1,208,791)	(3,708,267)
Profit for the year from continuing operations		5,356,988	10,595,487	5,015,239	8,835,385
Other comprehensive income:					
Currency translation differences		226,335	4,842,883	-	-
Other comprehensive income for the year		226,335	4,842,883	-	-
Total comprehensive income for the year		5,583,323	15,438,370	5,015,239	8,835,385
Profit attributable to:					
Owners of the parent		5,286,367	10,389,037		
Minority interest		70,621	206,450		
		5,356,988	10,595,487		
Total comprehensive income attributable to:					
Owners of the parent		5,498,773	14,934,083		
Minority interest		84,550	504,287		
		5,583,323	15,438,370		
Basic & diluted earnings per share	10	0.51	1.00		

The notes on pages 21 to 42 are an integral part of these consolidated financial statements.

STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2010

	Notes	GROUP 2010 $	GROUP 2009 $	HOLDING COMPANY 2010 $	HOLDING COMPANY 2009 $
Current assets					
Cash and cash equivalents	11	3,914,195	3,169,756	2,962,983	1,236,450
Held to maturity investments	12	11,000,000	8,500,000	11,000,000	8,500,000
Trade and other receivables	13	9,644,118	10,717,300	6,302,648	10,233,972
Inventories	14	24,867,055	27,598,608	13,229,364	13,128,555
		49,425,368	49,985,664	33,494,995	33,098,977
Non-current assets					
Property, plant and equipment	15	41,223,010	42,343,924	23,869,086	25,404,696
Investments	16	-	-	18,791,678	18,791,678
Brand names	17	520,000	520,000	520,000	520,000
Intangible assets	18	1,939,842	1,953,717	384,934	398,809
Deferred income tax assets	8	854,224	199,115	666,009	104,578
		44,537,076	45,016,756	44,231,707	45,219,761
Total Assets		93,962,444	95,002,420	77,726,702	78,318,738
Current Liabilities					
Trade and other payables	19	8,641,218	9,005,455	6,634,437	6,417,950
Provisions	20	2,541,574	3,399,217	1,801,295	2,668,596
		11,182,792	12,404,672	8,435,732	9,086,546
Non-current liabilities					
Provisions	20	639,516	373,396	639,516	373,396
Deferred income tax liabilities	8	4,809,648	5,740,681	569,337	1,108,262
		5,449,164	6,114,077	1,208,853	1,481,658
Total Liabilities		16,631,956	18,518,749	9,644,585	10,568,204
Net Assets		**77,330,488**	**76,483,671**	**68,082,117**	**67,750,534**
Shareholders' equity					
Share capital	21	2,081,625	2,081,625	2,081,625	2,081,625
Other reserves		9,061,371	8,848,965	4,727,625	4,727,625
Retained profits		64,558,643	63,955,932	61,272,867	60,941,284
Shareholders' equity attributable to members of the holding company		75,701,639	74,886,522	68,082,117	67,750,534
Minority shareholders' interest		1,628,849	1,597,149	-	-
Total shareholders' equity		**77,330,488**	**76,483,671**	**68,082,117**	**67,750,534**

The notes on pages 21 to 42 are an integral part of these consolidated financial statements.

These financial statements are approved in accordance with a resolution of the Board of Directors.
For and on behalf of the Board

Director
Stephen Matthews
28 September 2010

Director
Grant Peck

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2010

GROUP	Note	Share capital $	Foreign Currency translation reserve $	General reserve $	Share premium reserve $	Retained profits $	Total $	Minority interest $	Total shareholders' equity $
Balance at 30 June 2008		**2,081,625**	**(423,706)**	**75,000**	**4,652,625**	**56,168,926**	**62,554,470**	**1,244,324**	**63,798,794**
Comprehensive income									
Profit for the year		-	-	-	-	10,389,037	10,389,037	206,450	10,595,487
Other comprehensive income									
Currency translation differences		-	4,545,046	-	-	-	4,545,046	297,837	4,842,883
Total other comprehensive income		-	4,545,046	-	-	-	4,545,046	297,837	4,842,883
Total comprehensive income		-	**4,545,046**	-	-	**10,389,037**	**14,934,083**	**504,287**	**15,438,370**
Transactions with owners									
Prior year adjustment		-	-	-	-	-	-	(39,841)	(39,841)
Dividends	9	-	-	-	-	(2,602,031)	(2,602,031)	(111,621)	(2,713,652)
Total transactions with owners		-	-	-	-	(2,602,031)	(2,602,031)	(151,462)	(2,753,493)
Balance at 30 June 2009		**2,081,625**	**4,121,340**	**75,000**	**4,652,625**	**63,955,932**	**74,886,522**	**1,597,149**	**76,483,671**
Comprehensive income									
Profit for the year		-	-	-	-	5,286,367	5,286,367	70,621	5,356,988
Other comprehensive income									
Currency translation differences		-	212,406	-	-	-	212,406	13,929	226,335
Total other comprehensive income		-	212,406	-	-	-	212,406	13,929	226,335
Total comprehensive income		-	**212,406**	-	-	**5,286,367**	**5,498,773**	**84,550**	**5,583,323**
Transactions with owners									
Dividends	9	-	-	-	-	(4,683,656)	(4,683,656)	(52,850)	(4,736,506)
Total transactions with owners		-	-	-	-	(4,683,656)	(4,683,656)	(52,850)	(4,736,506)
Balance at 30 June 2010		**2,081,625**	**4,333,746**	**75,000**	**4,652,625**	**64,558,643**	**75,701,639**	**1,628,849**	**77,330,488**

STATEMENTS OF CHANGES IN EQUITY (continues)
YEAR ENDED 30 JUNE 2010

HOLDING COMPANY	Note	Share capital $	General reserve $	Share premium reserve $	Retained profits $	Total Shareholder' equity
Balance at 30 June 2008		**2,081,625**	**75,000**	**4,652,625**	**54,707,930**	**61,517,180**
Comprehensive income						
Profit for the year		-	-	-	8,835,385	8,835,385
Other comprehensive income		-	-	-	**-**	**-**
Total comprehensive income		-	-	-	**8,835,385**	**8,835,385**
Transactions with owners						
Dividends	9	-	-	-	(2,602,031)	(2,602,031)
Total transactions with owners		-	-	-	**(2,602,031)**	**(2,602,031)**
Balance at 30 June 2009		**2,081,625**	**75,000**	**4,652,625**	**60,941,284**	**67,750,534**
Comprehensive income						
Profit for the year		-	-	-	5,015,239	5,015,239
Other comprehensive income		-	-	-	**-**	**-**
Total comprehensive income		-	-	-	**5,015,239**	**5,015,239**
Transactions with owners						
Dividends	9	-	-	-	(4,683,656)	(4,683,656)
Total transactions with owners		-	-	-	**(4,683,656)**	**(4,683,656)**
Balance at 30 June 2010		**2,081,625**	**75,000**	**4,652,625**	**61,272,867**	**68,082,117**

The notes on pages 21 to 42 are an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS
YEAR ENDED 30 JUNE 2010

	Notes	GROUP		HOLDING COMPANY	
		2010	2009	2010	2009
		$	$	$	$
Cash flows from operating activities					
Receipts from customers		130,484,062	113,067,946	97,582,714	84,903,758
Payments to government - excise duty		(55,255,953)	(48,090,949)	(38,197,121)	(38,839,341)
Payments to suppliers and employees		(60,289,569)	(50,433,939)	(46,225,959)	(33,532,982)
Interest received		446,055	9,121	446,055	107,385
Income taxes paid		(4,207,697)	(3,702,831)	(3,219,892)	(3,702,831)
Net cash generated from operating activities		11,176,898	10,849,348	10,385,797	8,935,989
Cash flows from investing activities					
Acquisition of property, plant and equipment		(3,226,030)	(6,185,539)	(1,475,608)	(5,993,024)
Proceeds from disposal of property, plant and equipment		1,598	-	-	-
Acquisition of held to maturity investments		(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Net cash used in investing activities		(5,724,432)	(8,685,539)	(3,975,608)	(8,493,024)
Cash flows from financing activities					
Dividends paid to shareholders		(4,683,656)	(2,602,031)	(4,683,656)	(2,602,031)
Dividends paid to minority shareholders of subsidiary		(41,064)	(82,032)	-	-
Net cash used in financing activities		(4,724,720)	(2,684,063)	(4,683,656)	(2,602,031)
Effect of exchange rate changes on cash and cash equivalents		16,693	312,887	-	-
Net increase/(decrease) in cash held		744,439	(207,367)	1,726,533	(2,159,066)
Cash and cash equivalents at the beginning of the year		3,169,756	3,377,123	1,236,450	3,395,516
Cash and cash equivalents at the end of the year	11	3,914,195	3,169,756	2,962,983	1,236,450

The notes on pages 21 to 42 are an integral part of these consolidated financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2010

1. GENERAL INFORMATION

Foster's Group Pacific Limited ("the company") and its subsidiary (together "the group") manufacture, distribute and sell beer, ready-to-drink alcoholic beverages and soft drinks, distribute wines, and distillate and sell potable and industrial alcohol.

The company is incorporated and domiciled in the Republic of the Fiji Islands with limited liability and is listed on the South Pacific Stock Exchange. The address of its registered office is 122 – 164 Foster Road, Walu Bay, Suva.

The company's immediate holding company is Foster's Australia Limited (Foster's) of Australia, a company incorporated and domiciled in Australia. The ultimate parent of the company is Foster's Group Limited, a company incorporated and domiciled in Australia, and listed on the Australian stock exchange.

These group consolidated financial statements were authorised for issue by the Board of Directors on 28 September 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the company have been prepared in accordance with the provisions of the Companies Act 1983 and International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Standards, amendments and interpretations issued but not yet effective
The following standards and amendments to existing standards have been published and are mandatory for accounting periods beginning on or after 1 July 2010 or later periods, but the group has not early adopted them. Adoption of these standards and interpretations will not have any significant impact on the group's financial statements.

- IAS 24 Amendment – Related party disclosures (effective 1 January 2011)
- IFRS 1 Amendment – 'First time adoption': financial instrument disclosures (effective 1 July 2010)
- IFRIC 9 Amendment – Financial Instruments: Classification and measurement (effective 1 January 2013)
- IFRIC 14 Amendment – Prepayments of a minimum funding requirement (effective 1 January 2011)
- IFRIC 19 Amendment – Extinguishing financial liabilities with equity instrument (effective 1 July 2010)

2.2 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.2 Use of estimates and judgments (continues)

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 4.1(a) – Provisions for impairment of receivables and inventory, and employee benefits
Note 4.1(b) – Depreciation

2.3 Principles of consolidation

(i) Subsidiaries
Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Transactions and non-controlling interests
The group applies a policy of treating transactions with minority interests as transactions with parties external to the group. Disposals to non-controlling interests result in gains and losses for the group that are recorded in the income statement. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.4 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the Fiji Islands, and the country where the company's subsidiary operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.4 Current and deferred income tax (continues)

combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the local tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws applicable to the origin of the temporary differences) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Management have determined that deferred tax assets and deferred tax liabilities associated with indefinite life intangibles such as brand names should be measured based on the tax consequences that would follow from the sale of that asset. Deferred tax assets are only booked where recovery of that asset is probable.

2.5 Financial assets

2.5.1 Classification

The group classifies its financial assets in the following category: receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Receivables
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's receivables comprise 'trade receivables' and 'other receivables in the balance sheet (note 2.10 & 2.11).

2.5.2 Recognition and Measurement

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Receivables are subsequently carried at fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.5 Financial assets (continues)

2.5.2 Recognition and Measurement (continues)

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any evidence of impairment exists, an impairment loss is recognised in the statement of comprehensive income as part of "Other operating (losses)/ revenues" in the period in which they arise.

Impairment testing of trade receivables is described in note 2.10.

2.6 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Fijian dollars, which is the functional and presentation currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions denominated in a foreign currency are initially recorded in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, arising from those transactions, are retranslated at the exchange rates at reporting date. Foreign currency receivables and payables at balance date are translated using the exchange rates current at balance date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end are recognised in the statement of comprehensive income.

Foreign group company

The results and financial position of the foreign group entity that have a functional currency different to Fiji dollars is translated into the presentation currency of the Company (being Fiji dollars) as follows:

- assets and liabilities are translated at the closing rate at the balance sheet date;
- income and expenses of the income statement is translated at the average exchange rates for the year; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in the foreign entity are taken to the foreign currency translation reserve in shareholder's equity.

2.7 Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, and revenue can be reliably measured. Amounts disclosed as operating revenue are net of sales discounts, duties and taxes. Revenue is measured at the fair value for the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.8 Revenue recognition (continues)

(a) Sale of goods
Revenue is recognised when the significant risk and rewards of ownership have passed to the buyer and can be reliably measured and collectability of the related receivables is reasonably assured. Risk and rewards are considered to have passed to buyers when goods are delivered to customers.

(b) Dividends
Revenue is recognised when the right to receive payment is established.

(c) Interest
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

2.9 Inventories

Inventories of finished goods, raw materials, work in progress, base rum and raw alcohol are valued at the lower of cost (using weighted average or first-in-first-out basis) and estimated net realisable value. Cost of manufactured goods is determined on a consistent basis, comprising prime costs and an appropriate proportion of fixed and variable overhead expenses. It excludes borrowing costs.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to be incurred in the marketing, selling and distribution. Work in progress is shown at cost.

2.10 Trade receivables

Trade receivables are carried at original invoice amounts less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. This provision is based on a review of all outstanding amounts at year end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'administration and other expenses'.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to 'other operating revenue' in the statement of comprehensive income.

2.11 Other receivables

Other receivables are initially recorded at fair value of the consideration received or receivable. Other receivables are classified as current assets unless the debtor has an unconditional right to defer settlement of the asset for at least 12 months after the balance sheet date, in which case they are classified as non-current other debtors.

2.12 Investments

Investment in subsidiary
Investments in controlled entities are accounted for using the purchase method. Under this method, the cost of an acquisition is measured at fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.12 Investments (continues)

plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income. Investment in the subsidiary is carried at the lower of cost and recoverable amount (in the holding company).

Held to maturity investments

Held-to-maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the company has the intention and the ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Amortisation is included as 'Interest income' in the statement of comprehensive income. The losses arising from impairment of such investment are recognised in the statement of comprehensive income line 'Impairment losses on financial investments'.

2.13 Property, plant and equipment

All property, plant and equipment are shown at cost less accumulated depreciation except for those assets revalued in prior periods. The exemption permitted under IFRS 1 has been adopted for previously revalued assets whose balances are now deemed to be their cost. Costs include expenditure that is directly attributable to acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The cost, or deemed cost of property, plant and equipment, other than freehold land, are depreciated over their estimated useful lives as follows:

	Rate per annum	Method
Premium on Leasehold land	Various	Over period of lease
Buildings	1.17%-20%	Straight line
Plant and equipment	2.5%-100%	Straight line and diminishing value
Vehicles	8%-33%	Straight line
Furniture and fittings	1.25%-25%	Straight line and diminishing value

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

2.14 Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists or when annual impairment testing for an asset is required, the Group makes a formal assessment of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.14 Impairment of assets (continues)

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the current year's statement of comprehensive income.

An assessment is made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Impairment losses recognised for goodwill are prohibited from being reversed.

2.15 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets for the company are assessed to be finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gain or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.15 Intangible assets (continues)

Goodwill (continues)

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of the cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Brand names

Acquired brand names are initially included in the financial statements at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. The cost of acquired brand names is determined by reference to independent valuations performed on the acquisition of businesses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Brand names used in the normal course of business have indefinite lives and are not amortised.

Brand names are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived brand names annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Expenditure incurred in developing, maintaining or enhancing brand names is written-off in the statement of comprehensive income in the year in which it is incurred.

2.16 Employee entitlements

Liabilities for employees' entitlements to wages and salaries, annual leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, calculated at amounts expected to be paid as at reporting date.

Liabilities for long service leave and retirement gratuities, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid. There is an inherent degree of uncertainty concerning the qualifying to the entitlement to long service leave and retirement gratuities. The expected future entitlements have been derived based on historical trends.

2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.18 Dividends

Provision is made for the amount of any dividend declared by the directors on or before the end of the financial year but not distributed at balance date. There are no uncertainties in relation to the settlement of dividend provisions.

Dividends paid by the holding company are subject to the provisions of the Fiji Income Tax Act and Income Tax (Dividend) Regulations 2001.

2.19 Earnings per share

Basic and diluted earnings per share is determined by dividing profit after income tax attributable to shareholders of the company by the weighted average number of ordinary shares outstanding during the financial year.

2.20 Leased assets

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Where an asset is acquired by means of a finance lease, which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item, costs are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

2.21 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term liquid investments and bank overdrafts.

2.22 Share capital

Ordinary shares are classified as equity and carried in the group's financial statements at par value.

2.23 Provisions

Provisions are recognised when a present obligation (legal, equitable or constructive) to make a future sacrifice of economic benefits to other entities arises as a result of past transactions or other past events, and it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)

2.24 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

3.1 Finance risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest risk and price risk), credit risk, and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk is inherent in the group's activities but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. This process of risk management is critical to the group's profitability and each individual within the group is accountable for the risk exposures relating to his or her responsibilities.

Risk management is carried out by management of the group under policies approved by the board of directors. Management identify and evaluate financial risks. The board provides direction for overall risk management covering specific areas, such as mitigating foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Market risk
(i) Foreign exchange risk
The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian and New Zealand dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

As a measure, prompt settlement of liabilities (and assets if necessary) is exercised by management to minimize the exposure to foreign exchange losses. As an additional measure, the group negotiates favourable rates with its bankers to minimize the losses and maximize the gains when receipt and payments become due.

At 30 June 2010, if the Fijian dollar had weakened/strengthened by 10% against the AUD with all other variables held constant, post-tax profit for the year would have been $49,891.96 (2009: $35,220.10) lower/higher, mainly as a result of foreign exchange gains/losses on translation of AUD denominated trade payables.

At 30 June 2010, if the Fijian dollar had weakened/strengthened by 10% against the NZD with all other variables held constant, post-tax profit for the year would have been $36,977.61 (2009: $29,270.01) lower/higher, mainly as a result of foreign exchange gains/losses on translation of NZD denominated trade payables.

(ii) Commmodity price risk
Commodity price risk to the group is the risk that an adverse movement in commodity prices will lead to increased production costs. The group is exposed to commodity price risk arising from changes in prices to malt, hops and sugar. The table below illustrates the impact of movement in prices of these commodities on profit before tax at 30 June 2010.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continues))

3.1 Finance risk factors (continues)

Commodities	Volatility	Assumption	Impact on profit before tax	
	Fiji	Samoa	+	-
Malt	13%	25%	752,695	(752,695)
Sugar - white	84%	17%	1,063,522	(1,063,522)
Hops	46%	46%	40,507	(40,507)
Sugar - brown	0%	53%	216,274	(216,274)

(iii) Cash flow and fair value interest rate risk

The group does not have significant interest bearing assets. The group's income and operating cash flows are substantially independent of changes in market interest rates.

(iv) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The group can not expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the group is able to manage risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment procedures.

(b) Credit risk

It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. Credit risk is managed by a risk committee with board oversight. Credit risk arises from cash and cash equivalents, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

As part of its risk control procedures, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out prior to the board approval. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet present obligations. Management monitors rolling forecasts of the group's liquidity reserve, comprising of cash and cash equivalents (note 11) on the basis of expected cash flow.

The table below summarises the maturity profile of the group's financial liabilities at 30 June based on contractual undiscounted payments.

	GROUP	HOLDING COMPANY
	2010 $	2010 $
Current	3,208,190	2,281,679
31 to 60 days	496,523	197,694
61to 90 days	183,986	79,027
91 to 120 days	256,186	256,186
Over 120 days	46,889	46,888
	4,191,774	**2,861,474**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continues))

3.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Critical accounting estimates and assumptions

(a) Provisions – impaired receivables, inventory obsolescence and employee benefits
Provisions are measured at the value management best estimates an expenditure to be incurred at, to settle a present obligation at balance date. Market situations are often used to estimate provisions. Changes in market situations will create a difference between provisions with the recorded figures. Whilst the fact remains that uncertain issues such as bad debts exist, management as a benchmark makes adequate provisions based on past record and the foreseeable future.

The provisions are aligned once the final outcome is known at balance date

(b) Depreciation
On acquiring an asset, management determines the most reasonable length of time it expects the group to maintain that asset with reference to characteristics of similar assets or classes of assets held by the group presently or in the past. Where there is no reference available to assets or classes of assets held at present or in the past, reference is made to industry benchmarks.

Each year management assesses the carrying value of assets to determine whether they are impaired. Appropriate revisions to the policies are made, if necessary, or any significant impairment losses are accounted for in the financial statements as a corrective measure. Appropriate disclosure would normally follow.

4.2 Critical judgments in applying the entity's accounting policy

In applying its accounting policies, the group is not aware of any significant risk of material adjustment to the carrying amount of assets and liabilities that may change within the next financial year.

5 SEGMENT INFORMATION

(a) Primary Reporting – Geographical Segments

	TOTAL ASSETS		TOTAL LIABILITIES		ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLES		DEPRECIATION & AMORTISATION EXPENSE	
	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $
Fiji	76,891,829	74,251,939	9,644,586	10,568,204	1,475,607	9,521,480	3,025,092	2,847,872
Samoa	17,070,615	20,750,481	6,987,370	7,950,545	1,750,423	192,516	1,482,143	1,344,961
GROUP TOTAL	**93,962,444**	**95,002,420**	**16,631,956**	**18,518,749**	**3,226,030**	**9,713,996**	**4,507,235**	**4,192,833**

	TOTAL OPERATING REVENUE		INTER SEGMENT SALES		NET EXTERNAL OPERATING REVENUE		OPERATING PROFIT BEFORE INCOME TAX	
	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $
Fiji	48,258,478	43,914,375	(87,953)	(50,681)	48,170,525	43,863,694	5,214,203	10,983,584
Samoa	25,343,730	21,151,325	-	-	25,343,730	21,151,325	1,779,542	4,562,033
GROUP TOTAL	**73,602,208**	**65,065,700**	**(87,953)**	**(50,681)**	**73,514,255**	**65,015,019**	**6,993,745**	**15,545,617**

The group has operations in Fiji and Samoa.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

5 SEGMENT INFORMATION
(a) Secondary Reporting – Business Segments

	NET EXTERNAL OPERATING REVENUE	
	2010	2009
	$	$
Beer	51,412,912	45,334,080
Spirits	6,940,624	10,387,176
Soft drinks	9,928,814	8,562,772
Other	5,231,905	730,991
GROUP TOTAL	**73,514,255**	**65,015,019**

The group operates predominantly in the beverage industry which includes the production and marketing of alcoholic and non-alcoholic beverages.

6. REVENUE

	GROUP		HOLDING COMPANY	
	2010	2009	2010	2009
Sale of goods	123,958,230	113,105,968	87,514,659	82,753,716
Excise and other duties and taxes	(50,443,975)	(48,090,949)	(39,256,181)	(38,839,341)
	73,514,255	65,015,019	48,258,478	43,914,375

7. PROFIT BEFORE INCOME TAX

	GROUP 2010	GROUP 2009	HOLDING COMPANY 2010	HOLDING COMPANY 2009
Profit before income tax has been determined after:				
Crediting as revenue				
Dividends	-	-	667,227	1,560,068
Exchange gain – realised	478,542	209,767	478,542	209,767
Exchange gain – unrealised	-	591,509	-	628,248
Interest	476,255	-	476,255	-
Charging as expense				
Remuneration for professional services				
- PricewaterhouseCoopers - audit fees	85,564	67,757	41,829	41,829
- other firms - other professional services	47,301	-	47,301	-
Amortisation of intangible assets	83,095	71,921	83,095	71,921
Depreciation				
- land, buildings and improvements	416,221	450,494	285,832	287,967
- plant, motor vehicles and equipment	4,007,919	3,742,339	2,656,166	2,560,114
Directors' emoluments:				
- fees	6,126	9,977	5,167	9,167
- other services	-	24,725	-	24,725
- staff costs	9,286,740	8,204,564	7,498,322	6,414,952
Exchange loss – unrealised	546,811	-	505,747	-
Loss on disposals of fixed assets	101	-	-	-
Employee costs	9,405,894	7,822,275	7,498,322	6,214,952
Provision for:				
- stock loss	329,721	(113,870)	53,020	(2,017)
- employee benefits	336,299	(150,993)	309,565	(144,284)
- doubtful debts	1,335,049	(85,160)	1,294,503	(144,437)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

8. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 30 June 2009 and 30 June 2010 are:

Income Tax Expense	GROUP		HOLDING COMPANY	
	2010 $	2009 $	2010 $	2009 $
Accounting profit before income tax	6,993,751	15,545,617	6,224,030	12,543,652
At Fiji's statutory income tax rate 29/31%	2,028,188	4,819,141	1,804,969	3,888,532
Tax effect of non allowable deductions:	131,030	495,497	(102,871)	279
Effect of lower tax rate on overseas income	(31,526)	(183,964)	-	-
Effect of change in tax rate	43,459	(107,537)	43,459	(107,537)
(Over)/ under provision in prior years	(534,394)	(73,007)	(536,766)	(73,007)
Income tax expense reported in the statement of comprehensive income	**1,636,757**	**4,950,130**	**1,208,791**	**3,708,267**

The income tax expense in the statement of comprehensive income is determined in accordance with the policy set out in note 2.4.

<u>Deferred tax assets</u> Represented by the following tax-effected temporary differences:	2010	2009	2010	2009
Provision for stock obsolescence	158,329	68,197	14,873	27
Provision for doubtful debts	392,050	18,483	362,462	-
Provision for employment entitlements	303,845	-	288,674	104,551
Unrealised forex (gains)/losses	-	112,435	-	-
	854,224	**199,115**	**666,009**	**104,578**

<u>Deferred tax liabilities</u> Represented by the following tax-effected temporary differences:	2010	2009	2010	2009
Depreciation	4,473,075	4,842,664	710,947	932,352
Unamortised value of used bottles	478,183	722,107	-	-
Foreign exchange gain	(141,610)	175,910	(141,610)	175,910
	4,809,648	**5,740,681**	**569,337**	**1,108,262**

9. DIVIDENDS

Final dividend – 2008/2007	-	2,713,652	-	2,602,031
Interim dividend – 2009/ 2008	1,578,835	-	1,561,219	-
Final dividend – 2009/ 2008	1,578,835	-	1,561,219	-
Interim dividend – 2010/2009	1,578,835	-	1,561,219	-
Total dividends provided for or paid	**4,736,506**	**2,713,652**	**4,683,656**	**2,602,031**

10. EARNINGS PER SHARE – BASIC & DILUTED

	2010	2009
Profit after tax attributable to members of the holding company	5,286,367	10,389,037
Weighted average number of ordinary shares issued	10,408,125	10,408,125
Basic & diluted earnings per share	0.51	1.00

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

11. CASH AND CASH EQUIVALENTS

	GROUP		HOLDING COMPANY	
	2010 $	2009 $	2010 $	2009 $
Cash at bank and on hand	3,914,195	3,169,756	2,962,983	1,236,450

Financing facilities

Firmly committed bank overdraft facilities of $3,000,000 were available to the group at the reporting date. At year end none (2009: nil) of these facilities were in use.

12. HELD TO MATURITY INVESTMENTS

	2010	2009	2010	2009
Term deposits	11,000,000	8,500,000	11,000,000	8,500,000

The interest rates for held to maturity investments vary from 6% to 7%.

13. TRADE AND OTHER RECEIVABLES

	2010	2009	2010	2009
Trade receivables	10,126,452	9,698,201	6,385,879	5,668,243
Provision for impaired receivables	(1,404,093)	(68,455)	(1,294,503)	-
	8,722,359	9,629,746	5,091,376	5,668,243
Other receivables				
- Subsidiary	-	-	28,520	4,066,799
- Prepayments	36,434	-	36,434	-
- Other	885,325	1,087,554	1,146,318	498,930
	9,644,118	**10,717,300**	**6,302,648**	**10,233,972**

Trade and other receivables are non-interest bearing and are generally on the following terms:

Beer and Ready-to-Drink alcoholic beverages	7 – 14 days
Spirits (domestic)	21 days
Bulk Spirits (export)	30 – 60 days
Soft Drinks & Wine	30 days

The fair values of trade receivables are as follows:

	2010	2009	2010	2009
Trade receivables	8,722,359	9,629,746	5,091,376	5,668,243

As of 30 June 2010, trade receivables of $6,531,219 (2009: $4,602,526) were fully performing.

As of 30 June 2010, trade receivables of $2,191,140 (2009: $5,027,220) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2010	2009	2010	2009
1 – 15 days overdue	1,703,646	1,223,760	433,378	823,348
16 – 30 days overdue	178,816	1,250,280	173,138	1,142,003
Over 31 days overdue	308,678	2,553,180	193,771	1,891,112
	2,191,140	**5,027,220**	**800,287**	**3,856,463**

As of 30 June 2010, trade receivables of $1,404,093 (2009: $68,455) were impaired and provided for. The amount of provision was $1,404,093 as of 30 June 2010 (2009: $68,455). The individually impaired receivables mainly relate to independent customers, which are in unexpectedly difficult economic situations. The ageing of these receivables is as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

	GROUP		HOLDING COMPANY	
13. TRADE AND OTHER RECEIVABLES (continues)	2010	2009	2010	2009
	$	$	$	$
Over 31 days overdue	**1,404,093**	**68,455**	**1,294,503**	**-**

Movement in the provision for impairment of receivables were as follows:

	2010	2009	2010	2009
Opening balance	68,455	153,615	-	144,437
Increase in provisions	1,392,106	197,454	1,342,000	110,000
Provision write backs	-	(67,523)	-	(67,523)
Bad debts written off	(57,057)	(217,236)	(47,497)	(186,914)
Translation difference	589	2,145	-	-
Closing balance	**1,404,093**	**68,455**	**1,294,503**	**-**

14. INVENTORIES

Raw materials and engineering stores	17,052,978	20,103,290	6,190,536	6,536,267
Work in progress	5,984,909	5,082,146	5,739,005	4,803,446
Finished goods	1,829,168	2,413,172	1,299,823	1,788,842
	24,867,055	**27,598,608**	**13,229,364**	**13,128,555**

Inventory is stated in the accounts in accordance with note 2.9

15. PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant & equipment is stated in the financial statements on the following bases:

	2010	2009	2010	2009
Land				
At cost	3,079,293	3,063,906	1,300,000	1,300,000
Leasehold land, buildings and improvements				
At cost	5,030,228	5,011,300	4,694,569	4,678,544
Provision for depreciation and amortisation	(2,544,089)	(2,335,617)	(2,388,816)	(2,191,588)
	2,486,139	2,675,683	2,305,753	2,486,956
Freehold land, buildings and improvements				
At cost	5,901,668	5,746,824	2,186,805	2,155,599
Provision for depreciation	(1,747,149)	(1,527,992)	(449,272)	(360,668)
	4,154,519	4,218,832	1,737,533	1,794,931
Plant, motor vehicles, furniture and equipment				
At cost	68,511,447	65,838,191	33,578,578	31,637,534
Provision for depreciation	(40,954,971)	(37,050,914)	(17,774,397)	(15,409,225)
	27,556,476	28,787,277	15,804,181	16,228,309
Capital works in progress	3,946,583	3,598,226	2,721,619	3,594,500
Closing Net Book Amount	**41,223,010**	**42,343,924**	**23,869,086**	**25,404,696**

Property, plant and equipment is stated in the accounts in accordance with note 2.13.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

15. PROPERTY, PLANT AND EQUIPMENT - continued

(b) Reconciliation of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current financial year is set out as follows:

	LAND	LEASEHOLD LAND, BUILDINGS & IMPROVEMENTS	FREEHOLD LAND, BUILDINGS & IMPROVEMENTS	PLANT, FURNITURE, MOTOR VEHICLES & CWIP	TOTAL
	$	$	$	$	$
Group					
Opening net book amount	3,063,906	2,675,683	4,218,832	32,385,503	42,343,924
Foreign currency movement	15,387	1,650	21,175	109,903	148,115
Additions	-	16,025	123,514	3,086,491	3,226,030
Disposals	-	-	-	(1,699)	(1,699)
Transfer to intangible assets	-	-	-	(69,220)	(69,220)
Depreciation	-	(207,219)	(209,002)	(4,007,919)	(4,424,140)
Closing net book amount	**3,079,293**	**2,486,139**	**4,154,519**	**31,503,059**	**41,223,010**
Holding Company					
Opening net book amount	1,300,000	2,486,956	1,794,931	19,822,809	25,404,696
Additions	-	16,025	31,205	1,428,378	1,475,608
Disposals	-	-	-	-	-
Transfer to intangible assets	-	-	-	(69,220)	(69,220)
Depreciation	-	(197,228)	(88,603)	(2,656,167)	(2,941,998)
Closing net book amount	**1,300,000**	**2,305,753**	**1,737,533**	**18,525,800**	**23,869,086**

(c) Details of operating leases held by the holding company are as follows:

(i) On 1 July 1966 the company entered into a crown lease agreement with the Government of the Republic of Fiji Islands to lease lots 1 and 2 on DP 2384 at Walu Bay, Suva. The term of the lease agreement is for a period of 87 years and 10 months ending on 30 April 2054. Under the agreement, rent is payable at the rate of $10,000 per annum.

(ii) On 1 July 1958 the company entered into a crown lease agreement with the Government of the Republic of Fiji Islands to lease lot 2 and 3 on DP 2311 at Walu Bay, Suva. The term of the lease agreement is for a period of 95 years ending on 30 July 2053. Under the agreement, rent is payable at the rate of $5,125 per annum.

(iii) On 1 January 1948 the company entered into a crown lease agreement with the Government of the Republic of Fiji Islands to lease Allotment 20, Muanikau, Suva. The term of the lease agreement is for a period of 75 years ending on 1 January 2023. Under the agreement, rent is payable at the rate of $1,400 per annum.

(iv) On 1 January 1953 the company entered into a crown lease agreement with the Government of the Republic of Fiji Islands to lease Lot 84, Muanikau, Suva. The term of the lease agreement is for a period of 99 years ending on 1 January 2052. Under the agreement, rent is payable at the rate of $580 per annum.

(v) On 1 May 1968 the company entered into a crown lease agreement with the Government of the Republic of Fiji Islands to lease Lot 11 on Plan S.1264, Walu Bay, and Suva. The term of the lease agreement is for a period of 99 years ending on 1 May 2067. Under the agreement, rent is payable at the rate of $8,000 per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

15. PROPERTY, PLANT AND EQUIPMENT - continued

(vi) On 1 July 1971 the company entered into a crown lease agreement with the Government of the Republic of Fiji Islands to lease Lot 1 on Plan ND 4904 Vitogo, Lautoka. The term of the lease agreement is for a period of 97 years, 4 months and 9 days ending on 10 November 2068. Under the agreement, rent is payable at the rate of $2,000 per annum.

(vii) Motor vehicle lease are held with ANZ for terms of up to 36 months with monthly repayments ranging from $662 to $3,025.

Total commitments for future lease rentals, which have not been provided for in the accounts are as follows:

	GROUP		HOLDING COMPANY	
	2010 $	2009 $	2010 $	2009 $
Payable not later than 1 year	887,415	642,353	439,741	270,857
Payable later than 1 year but not later than 5 years	1,110,327	660,650	820,276	290,825
Payable later than 5 years	1,129,410	1,158,212	1,129,410	1,156,516
	3,127,152	**2,461,215**	**2,389,427**	**1,718,198**

16. INVESTMENTS

Shares in subsidiary at cost	-	-	18,791,678	18,791,678

Investment in subsidiary

NAME OF COMPANY	PLACE OF INCORPORATION	CONTRIBUTION TO GROUP RESULTS		BOOK VALUE OF HOLDING COMPANY INVESTMENT (ORDINARY SHARES)		EQUITY OF HOLDING COMPANY	
		2010	2009	2010	2009	2010	2009
Unlisted		$	$	$	$	%	%
Samoa Breweries Limited	Samoa	1,280,955	3,320,170	18,791,678	18,791,678	93.85	93.85

	GROUP		HOLDING COMPANY	
	2010 $	2009 $	2010 $	2009 $
17. BRAND NAMES				
Brand names – at cost	520,000	520,000	520,000	520,000
18. INTANGIBLES				
Goodwill on consolidation - net	1,554,908	1,554,908	-	-
<u>Computer software</u>				
Cost				
Opening balance	719,209	719,209	719,209	719,209
Transfer from property, plant & equipment	111,735	-	111,735	-
Additions	-	-	-	-
Closing balance	830,944	719,209	830,944	719,209

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

	GROUP		HOLDING COMPANY	
18. INTANGIBLES (continues)	**2010**	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Accumulated amortisation				
Opening balance	320,400	248,479	320,400	248,479
Transfer from property, plant & equipment	42,515	-	42,515	-
Amortisation expense	83,095	71,921	83,095	71,921
Closing balance	446,010	320,400	446,010	320,400
Net book value	384,934	398,809	384,934	398,809
	1,939,842	1,953,717	384,934	398,809
19. TRADE AND OTHER PAYABLES				
Trade creditors	4,191,774	3,680,519	2,861,474	1,839,332
Related parties	510,878	80,973	504,547	72,548
Accruals and other creditors	3,938,566	5,243,963	3,268,416	4,506,070
	8,641,218	**9,005,455**	**6,634,437**	**6,417,950**
20. PROVISIONS				
Employee entitlements				
Opening balance	610,616	761,609	581,414	725,698
Arising during the year	522,170	781,170	495,436	781,170
Utilised/ reversals	(185,871)	(940,553)	(185,871)	(925,454)
Translation difference	250	8,390	-	-
Closing balance	947,165	610,616	890,979	581,414
Current tax liability				
Opening balance	3,059,377	1,079,331	2,460,578	2,139,376
Arising during the year	3,262,615	5,649,085	2,309,146	4,024,032
Paid during the year	(4,207,697)	(3,702,830)	(3,219,892)	(3,702,830)
Translation difference	5,224	33,791	-	-
Closing balance	2,119,519	3,059,377	1,549,832	2,460,578
Provision for dividend	114,406	102,620	-	-
Total	3,181,090	3,772,613	2,440,811	3,041,992
Current	2,541,574	3,399,217	1,801,295	2,668,596
Non current	639,516	373,396	639,516	373,396
	3,181,090	3,772,613	2,440,811	3,041,992
Employee numbers				
Number of employees at the end of the financial year	330	393	234	291

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

	GROUP		HOLDING COMPANY	
	2010 $	2009 $	2010 $	2009 $
21. SHARE CAPITAL				
Authorised				
20,000,000 ordinary shares of $0.20 each	4,000,000	4,000,000	4,000,000	4,000,000
Issued				
10,408,125 ordinary shares of $0.20 each fully paid	2,081,625	2,081,625	2,081,625	2,081,625
22. CAPITAL EXPENDITURE COMMITMENTS				
Capital expenditure approved and contracted for but not provided for in the accounts	909,308	24,736	-	-
Revenue expenditure approved and contracted for but not provided for in the accounts	291,616	-	-	-
23. CONTINGENT LIABILITIES				
Non performance guarantees given by the bank on behalf of the subsidiary company	575,357	405,761	575,357	405,761

24. RELATED PARTIES

(a) Directors

The following were directors of the company at any time during the financial year and up to the date of this report:

Ross Douglas Shaw resigned on 27 March 2010
Shaun Christopher Brooks resigned on 13 April 2010
Stephen Matthews
David Grant resigned on 17 April 2010
Cecil Browne
Grant Peck appointed on 7 April 2010
Michael Stoneman appointed on 7 April 2010
Simon Friars appointed on 5 May 2010

(b) Directors' fees and emoluments

Amounts paid for directors' fees and emoluments are disclosed in note 7.

(c) Controlling entity

The immediate holding company is Foster's Australia Limited (Foster's) of Australia. At balance date, Foster's held 9,325,000 ordinary shares of $0.20 each in Foster's Group Pacific Limited, representing 89.59 % (2009: 89.59%) of the issued share capital. Foster's is a subsidiary of Foster's Group Limited.

(d) Ownership interests in related parties

All material ownership interests in related parties are disclosed in Note 16 to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continues)
YEAR ENDED 30 JUNE 2010

24. RELATED PARTIES (continues)

(e) Related party transactions

All transactions with related parties are made on normal commercial terms and conditions. During the year supervision fees of $387,683 (2009: $156,682.60) were paid to the immediate holding company.

Other related party transactions include:

	2010 $	2009 $
Subsidiary – Samoa Breweries Limited		
• Dividend income	667,277	2,293,738
• Sales	87,953	50,681
Holding company – Foster's Australia Limited		
• Purchases and other recharges	(489,586)	(1,476,792)
• Capital asset acquisitions	(385,725)	-
• Management fees to FAL	(387,683)	(305,809)
Other related parties		
• Purchases	(92,008)	(300,123)

Amounts receivable from and payable to related parties are disclosed in notes 13 and 19 to the financial statements respectively.

(f) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the holding company included the General Manager, General Manager Supply, Chief Engineer, Financial Controller, Marketing Manager, Sales Manager, S&OP Manager, Production Managers, Manager Financial Operations, IT Manager, and Human Resources Manager.

Key management personnel compensation package	2010 $	2009 $
• short term benefits	1,906,107	1,795,817

There are no other benefits available for key management personnel.

25. PRINCIPAL ACTIVITIES

Holding Company

Manufacture and sale of beer and ready-to-drink alcohol beverages, distribution of wines and the distillation and sale of potable and industrial alcohol.

Subsidiary Company

Samoa Breweries Limited - manufacture and sale of beer and soft drinks.

SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS
YEAR ENDED 30 JUNE 2010

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report).

(a) Statement of interest of each Director in the share capital of the Company or in a related Corporation as at 30 June 2010: - section 6.31 (iv)

Director	2010	2009
Cecil Browne	500	nil

Top 20 shareholders

Shareholder name	Shareholding
Foster's Australia Limited	9,325,000
Fiji National Provident Fund	179,615
Unit Trust Of Fiji (Trustee) Co Ltd	99,120
Colonial Fiji Life Limited	23,750
Graham R Eden	23,540
Pd Naqasima Ratu Nv Kinijioji	18,750
Kontiki Fund Limited	18,325
Rodney C Wardrop	15,625
Thompson Myrle	13,750
Chhabildas Jamnadas	12,500
Pacific Transport Limited	12,500
Alison A Cupit	11,875
Fnpf Nominees Limited	10,464
Tarte Daryl V & Jacqueline	10,000
Johnson L Joe	9,375
Lal Ravindra P	7,500
George Tavanavanua	7,150
J Santa Ram Stores Limited	6,500
Dhan Kuvar Raniga	6,250
Krishneel Satya Maharaj	6,250

(b) Distribution of Shareholding – section 6.31 (v)

Holding	No. of Holders	% Holding
Less than 500 shares	309	0.72%
501 to 5,000 shares	303	4.50%
5,001 to 10,000 shares	15	0.96%
10,001 to 20,000 shares	8	1.09%
20,001 to 30,000 shares	2	0.45%
30,001 to 40,000 shares	0	
40,001 to 50,000 shares	0	
50,001 to 100,000 shares	1	0.95%
100,001 to 1,000,000 shares	1	1.73%
Over 1,000,000 shares	1	89.59%

(c) Board meeting attendance – section 6.31 (vi)

There were no Board meetings during the year. However, monthly review meetings are conducted by all Foster's Directors to review and discuss business and operational key performance indicators, drivers and any potential risk issues that may affect the business performance targets.

SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS (continues)
YEAR ENDED 30 JUNE 2010

(d) Subsidiary's performance - section 6.31 (viii)

	Samoa Breweries Limited
Turnover	25,343,730
Other income	25,442
	25,369,172
Depreciation and amortisation	1,482,142
Other expenses	22,310,752
Interest	-
Income tax	427,966
	24,220,860
Profit after tax	**1,148,312**
Assets	34,307,385
Liabilities	7,822,193
Shareholders' Funds	**26,485,191**

(e) Five year financial history - section 6.31 (xii) and (xiii)

	2010 $000	2009 $000	2008 $000	2007 $000	2006 $000
Net profit	5,357	10,595	10,292	8,302	8,938
Assets	93,962	95,002	79,411	75,437	71,268
Liabilities	16,632	18,519	15,612	16,407	16,050
Equity	77,330	76,484	63,799	59,030	55,218

Dividend per share	- $ 0.45
Earnings per share	- $ 0.51
Net tangible assets per share	- $ 7.19
Highest market price per share	- $ 13.79
Lowest market price per share	- $ 11.99
Market price per share at end of financial year	- $ 11.99

(f) Share register, registered and principal administrative office and company secretary – section 6.31 (xiv), (xv) and (xvi)

Foster's Group Pacific Limited
122 - 164 Foster Road
Walu Bay
Suva
Fiji
Phone : 3315811
Fax : 3300408

The company is incorporated in Fiji with limited liability and is listed on the South Pacific Stock Exchange. The company secretary is Mr Alfred Chan, Group Financial Controller.


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