

**Kirin Announces Recommended Proposal
to Acquire 100% of Lion Nathan**

27 April 2009

Kirin Holdings Company, Limited

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Overview and Context

Overview of Lion Nathan

Implications for Kirin in Australia

Appendix

Kirin announces recommended proposal to acquire 100% of Lion Nathan

- Kirin Holdings (Kirin) has reached agreement with Lion Nathan (LN)¹, in relation to the key terms of a proposal whereby Kirin will acquire all of the shares in LN that it does not already own (Proposal)
- The Proposal is to be implemented by way of scheme of arrangement (Scheme)
- LN's Independent Directors have agreed to unanimously **recommend** the Proposal, in the absence of a superior proposal, subject to an Independent Expert opining that the Proposal is in the best interest of LN shareholders and Kirin and LN agreeing a satisfactory Scheme Implementation Agreement with Kirin
- Under the terms of the Proposal, Kirin will pay cash consideration of A\$11.50 per LN share. Kirin will also agree to LN paying LN shareholders a fully franked interim dividend of 22 cents per share and a fully franked special distribution of 50 cents per share at implementation of the Scheme
- Excluding any dividends, the proposal values 100% of LN at A\$7.7bn (approx. ¥535.2bn³) and implies a multiple of 11.8x EBITDA 09E²
- The Proposal will be subject to a number of conditions precedent, including receipt of any required third party, regulatory or other consents, no material adverse change and other customary conditions precedent
- Kirin and LN will use best endeavours to agree and execute an Implementation Agreement within seven days

¹ An affiliate company in which Kirin owns 46.13%

² See footnote 1 on page 7

³ Exchange rate of AUD:JPY 1:69.5

The Proposal will deliver compelling benefits to Kirin

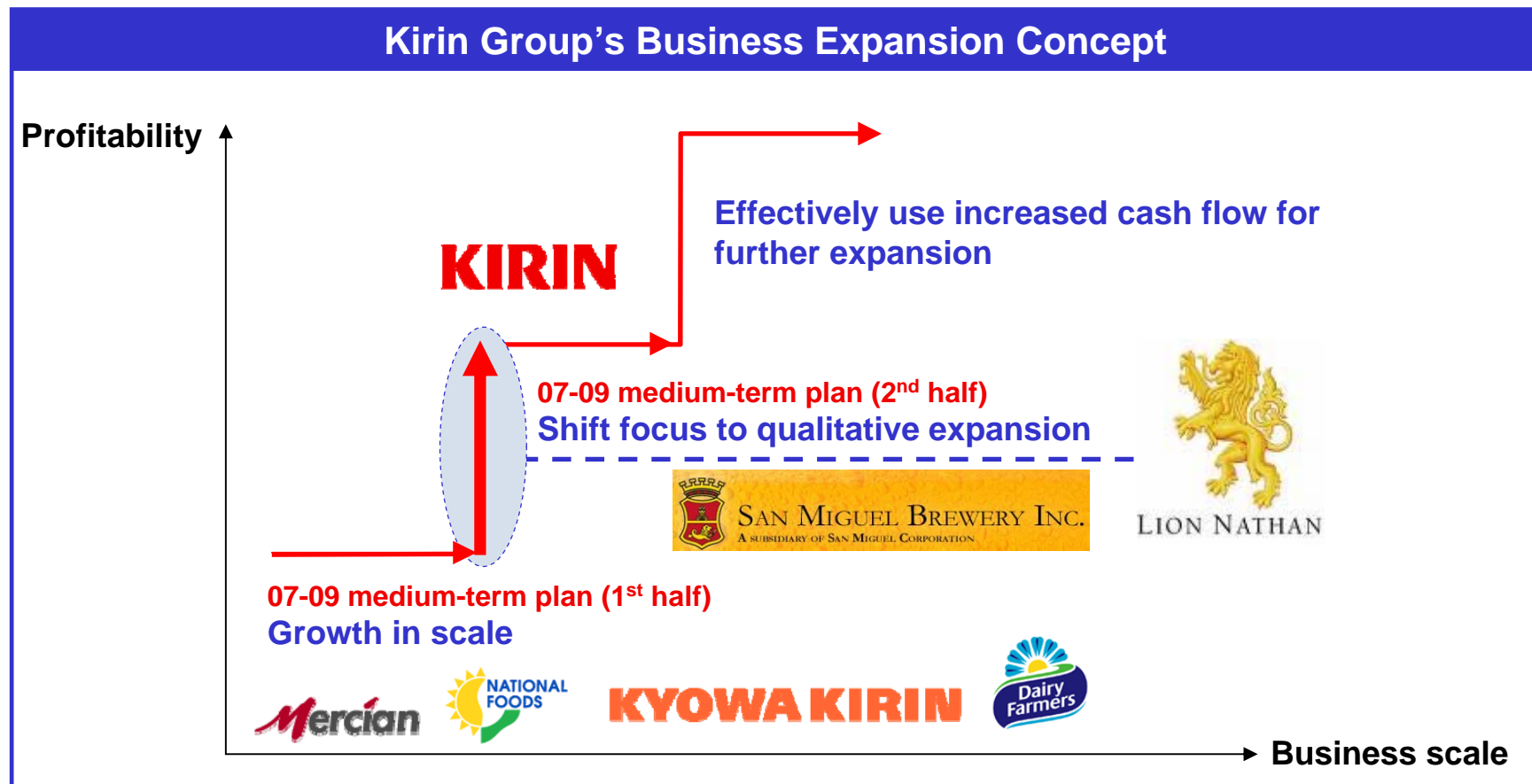
- Kirin to become one of Australasia's leading food and beverage companies with wholly owned interests spanning a diverse range of categories including dairy, juice and alcoholic beverages, with combined Australasian revenues of A\$5.6 billion¹
- In line with Kirin's long term strategic objectives (KV2015) of becoming a leading company in Asia and Oceania in the areas of beverages, food and health²
- Strengthens Kirin's offshore earnings base and provides greater exposure to the highly attractive Australasian brewing industry. Reinforces Kirin's existing operations within Oceania
- Provides a strong platform for beverages growth in Australasia. Ownership of LN's strong mix of brands may provide scope for further cross promotion of products with Kirin's existing brewing operations
- A strategic review of Kirin's combined businesses will be undertaken to identify possible growth opportunities across Australia and New Zealand. The Proposal also provides the ability to leverage LN's strong management capability across the region
- Expected to deliver attractive transaction economics to Kirin and is expected to reduce Kirin Group's leverage over the long term

¹ Kirin Australasian revenue of A\$3.5bn for Kirin financial year ended 31 December 2008 and LN revenue of A\$2.1bn for the LN financial year ended 20 September 2008

² Refer to < <http://www.kirinholdings.co.jp/english/ir/> >, KIRIN GROUP VISION 2015: Kirin Group's Long-Term Business Framework

Commitment to Growth

- Expected to enhance profitability going forward
- Access to LN's expected strong cash flows



Kirin will pay A\$11.50 p.s. in cash consideration to LN shareholders

- Under the terms of the Proposal, Kirin will pay cash consideration of A\$11.50 per LN share. Kirin will also agree to LN paying LN shareholders a fully franked interim dividend of 22 cents per share and a fully franked special dividend of 50 cents per share at implementation of the Scheme
- Excluding any dividends, the proposal values 100% of LN at A\$7.7bn (approx. ¥535.2bn³) and implies a multiple of 11.8x EBITDA 09E¹
- Kirin believes the Proposal is fair and reasonable for LN shareholders, having regard to LN's future growth prospects
 - Implied multiple that is in line with precedent brewing transactions
 - 38.9% premium to 6 month VWAP²
- Total cash consideration payable by Kirin of A\$3.3bn (approx. ¥229.4bn³)
- Consideration is expected to be financed by Kirin's existing cash balances and finance facilities with Kirin's usual lenders

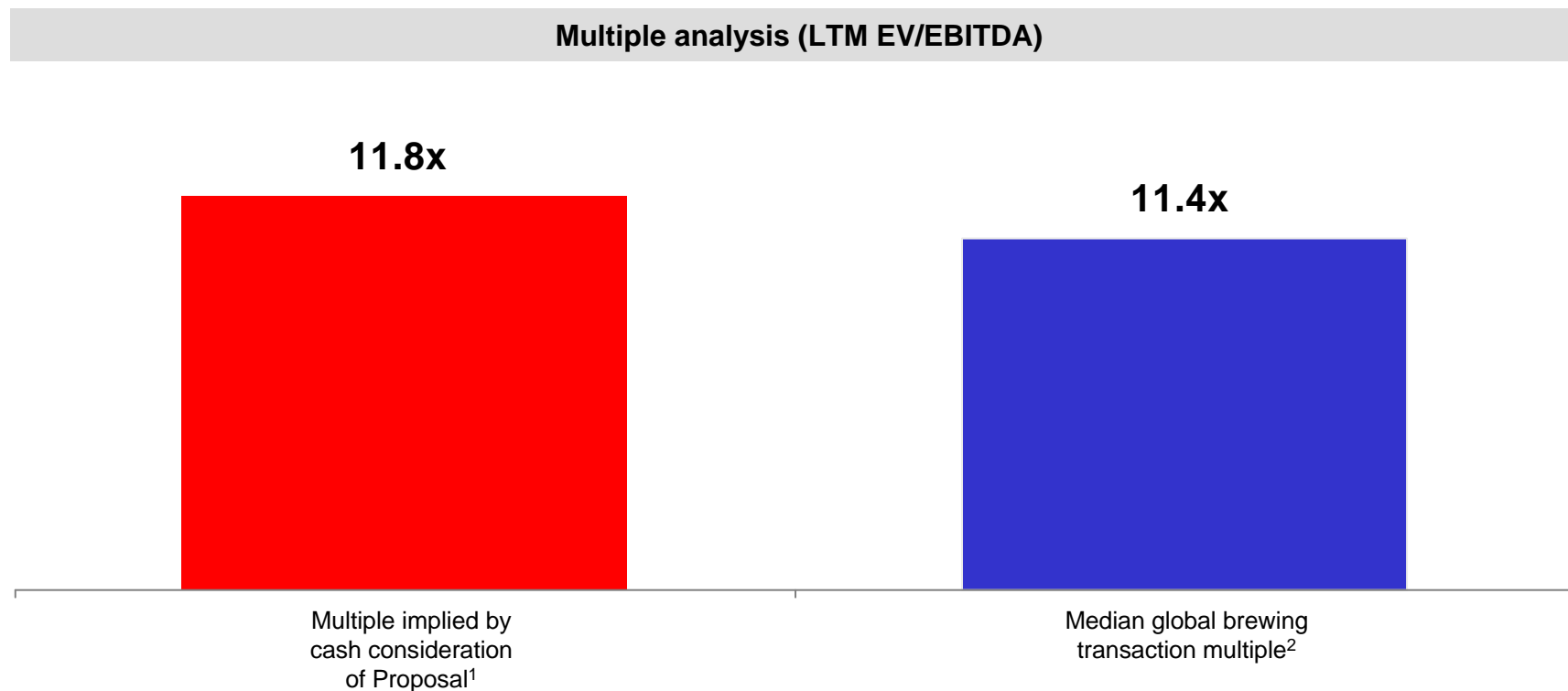
¹ See footnote 1, page 7

² Premium of cash consideration excluding dividends. 6 month VWAP to 22 April 2009

³ Exchange rate of AUD:JPY of 1: 69.5

Proposal Price (cont'd)

The implied EBITDA multiple is in line with precedent global brewing transactions



¹ Based only on A\$11.50 of cash consideration per share. Enterprise value based on 534.2m shares outstanding and adjusted net debt of A\$1,602.5m (adjusted for book value of minority interests of A\$0.4m and associates of A\$27.1m, as at 30 September 2008). LTM assumes September 2009 FYE (proxy for expected Scheme implementation date). September 2009 estimate EBITDA for LN of A\$656m (median of 8 available broker estimates between 19 February 2009 and 24 March 2009). Broker estimates before the announcement of Kirin's approach to LN on 23 April 2009 and prior to LN trading update on 24 April 2009. Estimates range between A\$633m to A\$678m. Included in the median are estimates from the research divisions of J.P. Morgan and Deutsche Bank AG, which are separate divisions within J.P. Morgan and Deutsche Bank AG, respectively and publish objective and independent research. The Directors of Kirin do not adopt this estimate

² Represents median of 36 acquisitions of global brewing companies with a transaction value between A\$325m and A\$53,334m, which occurred between October 1999 to February 2009. EV/LTM EBITDA multiples for these transactions range from 3.7x - 18.9x

Expected Financial Impact to Kirin

The Proposal is expected to be EPS accretive to Kirin in the first full financial year

EPS	<ul style="list-style-type: none">Expected to be EPS accretive in the first full financial year following completion of the Proposal on a pre-goodwill amortisation basis
Goodwill	<ul style="list-style-type: none">Goodwill to be amortised over 20 years⇒ Transaction goodwill of approximately A\$3.19bn (approx. ¥220bn¹)⇒ Annual amortisation of approximately A\$0.16bn (approx. ¥11bn¹)Existing goodwill amortisation is ¥10bn, making total annual amortisation ¥21bnAmortisation of goodwill is provisional only, based on estimated goodwill and current accounting advice, and is subject to change
Cash flows	<ul style="list-style-type: none">46% of dividends (80% target payout ratio) → 100% of net incomeAccess to 100% of LN cashflowsExpected significant, positive impact on Kirin cashflows
Leverage	<ul style="list-style-type: none">In the short term, Kirin's interest-bearing debt will increase. However, due to LN's anticipated strong cash flows, acquisition financing is expected to be repaid relatively quicklyPost transaction D/E ratio will remain within the target band stated in the revised mid-term plan²

Note: Guidance only, definitive impact cannot be assessed at this point

¹ Exchange rate of AUD:JPY of 1: 69.5

² Refer to < <http://www.kirinholdings.co.jp/english/ir/> >, Kirin Group Business Approach for 2009. Kirin will allow up to c.1.0x D/E ratio for a while for growth-oriented investments

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Strong Portfolio of Brands

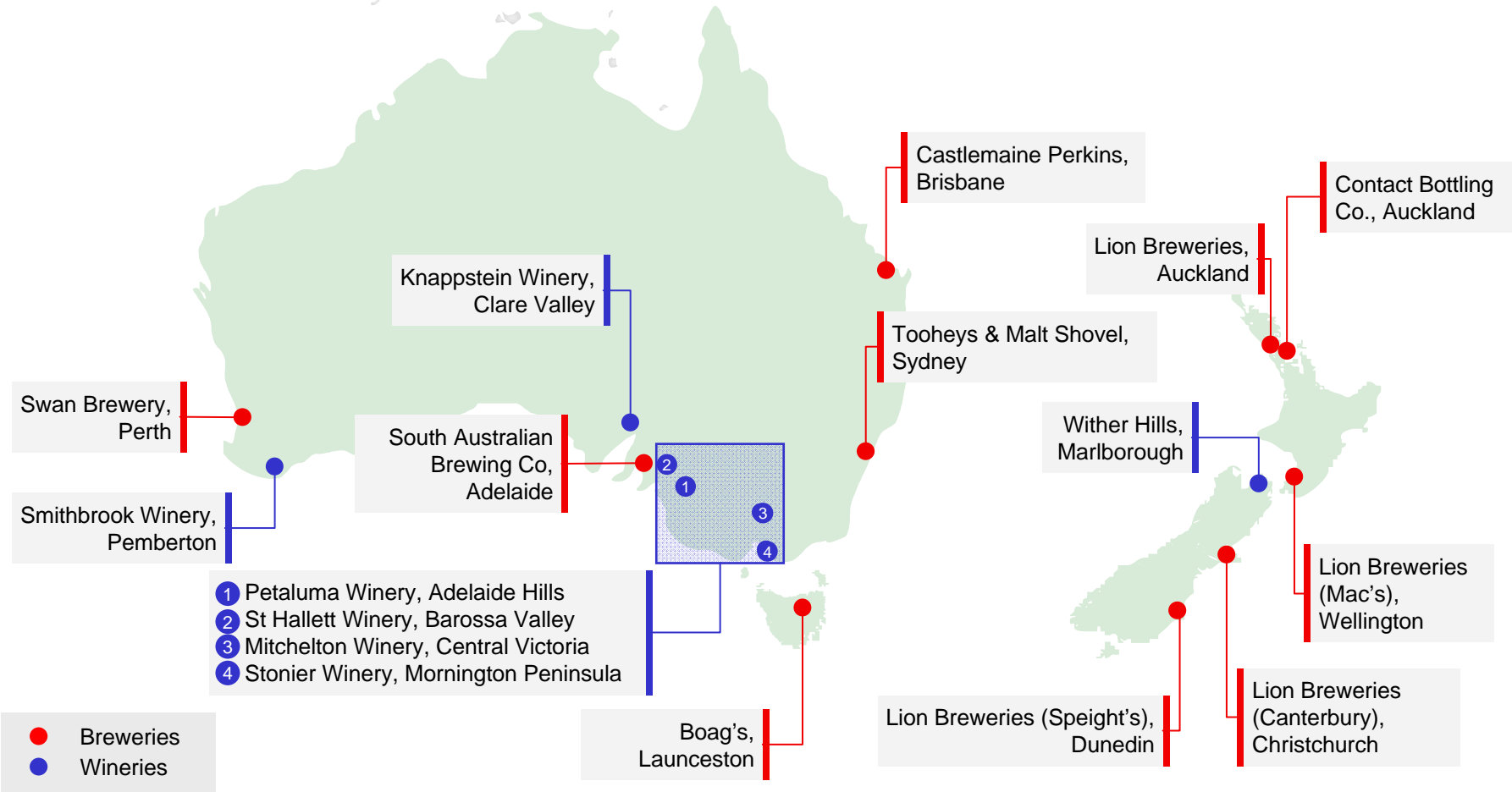
LN owns and manages a strong portfolio of brands which cover the full spectrum of beer and wine categories

Selected Major LN Brands				
Nationwide Brands (Power Brands)				
				
				
				

¹ Licensed brands

LN Production Facilities

LN has significant beer and wine production capabilities across Australia and New Zealand



LN Total Shareholder Return

LN has delivered an annual total shareholder return to Kirin of 10.2% p.a. since its investment in 1998¹

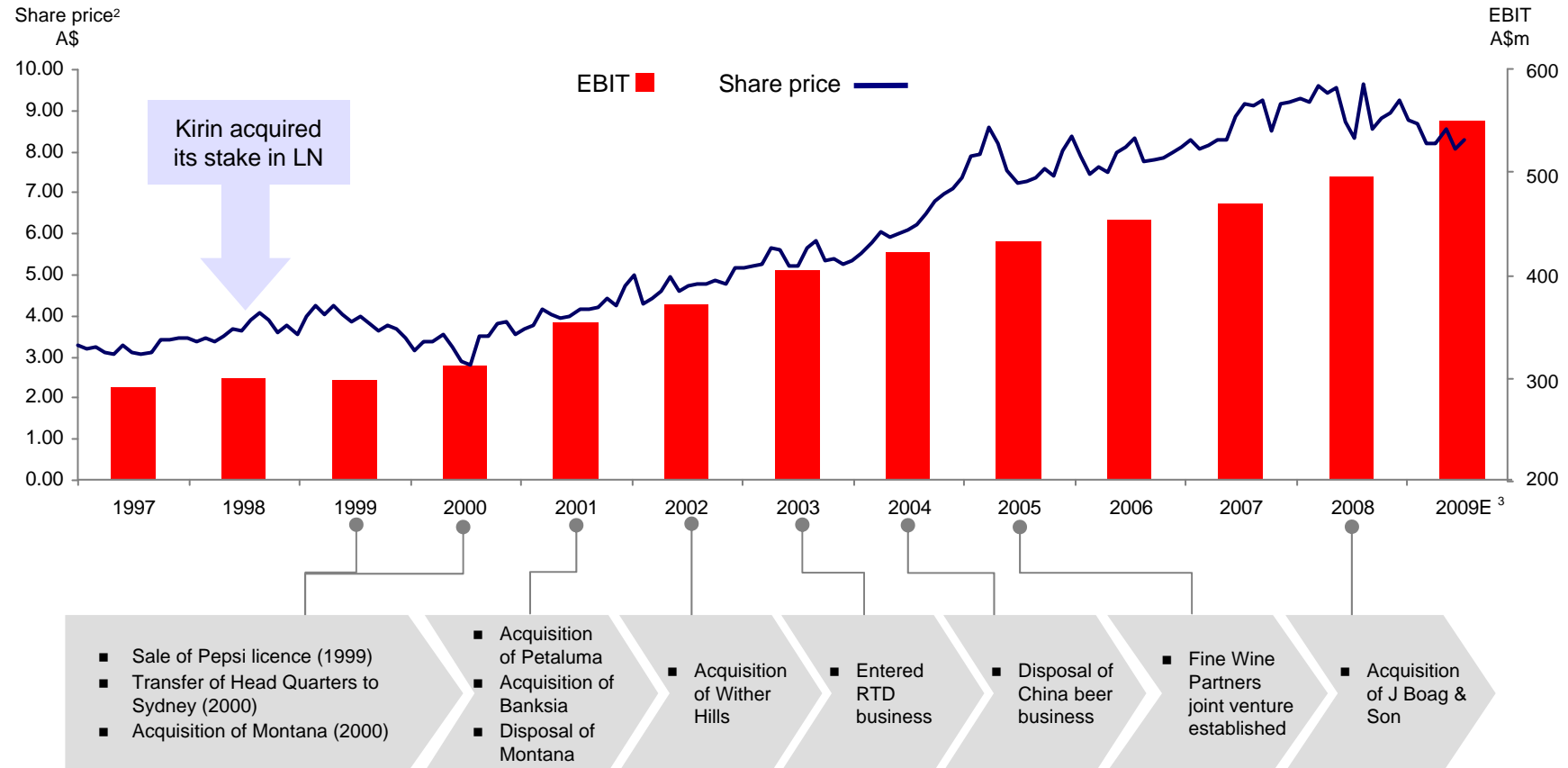
Total Shareholder Return for Lion Nathan (28 April 1998 to 22 April 2009)



¹ Total shareholder return (TSR) measures the capital growth of LN stock plus any dividend received by LN shareholders between 28 April 1998 to 22 April 2009 (as per IRESS). The TSR calculation assumes dividends received by LN shareholders are reinvested in LN at the closing price of the day the dividend is paid

Share Price and EBIT Performance

LN's EBIT has grown steadily year-on-year¹



¹ EBIT (before goodwill amortisation and significant items). EBIT for years 1999 – 2008 as per LN FY08 Annual Report ten year summary. EBIT for years 1997-1998 as per LN FY06 Annual Report ten year summary

² LN share price as per IRESS, between 31 August 1996 to 22 April 2009

³ September 2009 estimated EBIT for LN of A\$554m (median of 8 available broker estimates between 19 February 2009 and 24 March 2009). Broker estimates before the announcement of Kirin's approach to LN on 23 April 2009 and prior to LN trading update on 24 April 2009. Estimates range between A\$536m to A\$567m. Included in the median are estimates from the research divisions of J.P. Morgan and Deutsche Bank AG, which are separate divisions within J.P. Morgan and Deutsche Bank AG, respectively and publish objective and independent research. The Directors of Kirin do not adopt this estimate

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Expansion in Australasia

Kirin will become one of Australasia's leading food and beverage companies

National Foods/Dairy Farmers

Australia's #1 dairy & juice company¹

FY2008²

Sales: A\$3,509m

EBIT: A\$ 129m



KIRIN

Group Oceania business

Sales: A\$5,603m

EBIT: A\$ 636m

Lion Nathan

Australasia's #2 alcoholic beverages company¹

FY2008³

Sales: A\$2,094m

EBIT: A\$ 507m



¹ Refer to slide 19

² National Foods financials sourced from Kirin FY08 Results presentation dated 10 February 2009. Dairy Farmers financials sourced from investor presentation dated 25 August 2008 relating to Dairy Farmers acquisition

³ LN FY08 Annual Report

Proposal Benefits for All Stakeholders

The portfolio of Kirin's Australasian businesses creates a range of benefits for all stakeholders

Kirin shareholders	<ul style="list-style-type: none">■ Expected to be EPS accretive to Kirin in first full financial year following completion of the Proposal¹■ Increased geographic diversification of Kirin's earnings mix■ Together with Kirin's other Australian investments, creates a strong platform for future regional beverages expansion by Kirin■ Access to LN's expected strong cash flows
Customers	<ul style="list-style-type: none">■ Greater insight into local consumer behaviour■ Enhanced marketing opportunities and promotional activity■ Sharing of innovation across the portfolio
Employees	<ul style="list-style-type: none">■ Opportunities for employees to transfer within Kirin Group businesses■ Enhanced culture■ Knowledge sharing

¹ On a pre-goodwill amortisation basis

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'Snapshot' of LN

Company Overview	
Company name	Lion Nathan Limited
Head office	Sydney, New South Wales, Australia
CEO	Robert Murray
Capital²	Net assets: A\$877.9 million (approx. ¥60.5 billion) ¹ Total assets: A\$3,186.5 million (approx. ¥221.7 billion) ¹
Financial results³	Net sales: A\$2,094.2 million (approx. ¥145.3 billion) ¹ EBIT: A\$507.0 million (approx. ¥35.4 billion) ¹
Number of employees⁴	Approximately 3,100
Business description	Second largest brewer in Australia and the largest brewer in New Zealand. Produces a range of beers as well as wine and spirits brands (under Bacardi-Lion JV)
Core brands	Beer: Tooheys, XXXX, Hahn, Boags, Steinlager, Speights Wine: Petaluma, Wither Hills, St Hallett
Manufacturing base⁵	9 major facilities

Source: Lion Nathan Annual Report 2008, IRESS

¹ Exchange rate of AUD:JPY of 1: 69.5

² At 30 September 2008

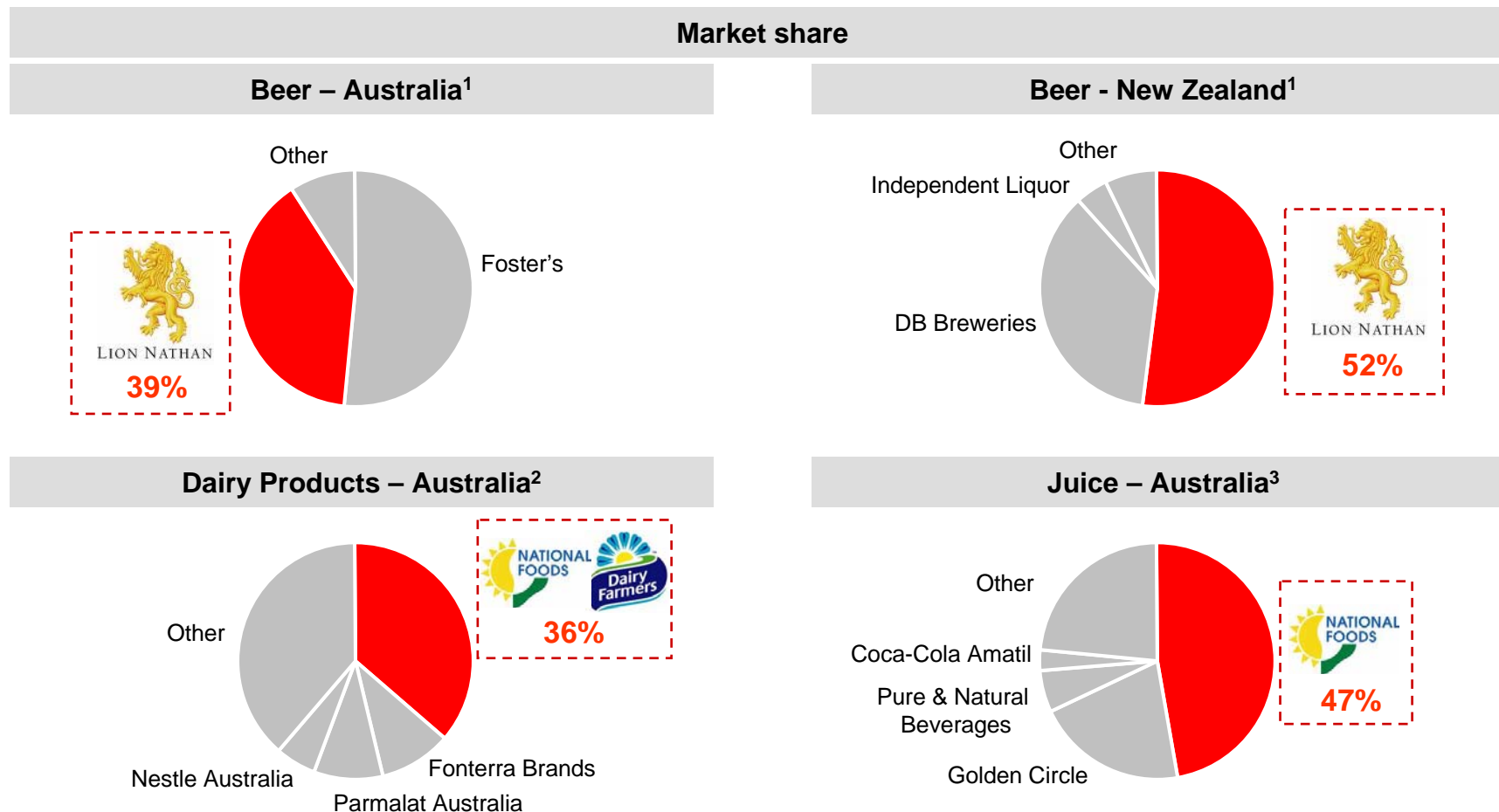
³ For the 12 months ended 30 September 2008

⁴ LN had 3,071 employees as at 30 September 2008

⁵ Excludes wineries and contract bottling plants

LN Position in Primary Categories

Kirin will have strong market positions in a range of key beverage categories



Source: Euromonitor International 2009

¹ Company shares of Beer by National Brand Owner (% total volume, 2007)

² Company shares of Dairy Products by National Brand Owner (% retail value, 2007). Dairy Products category is the aggregation of drinking milk products, cheese, yoghurt and sour milk drinks and other dairy products. Private brands included in "Other".

³ Company shares of Fruit/Vegetable Juice by National Brand Owner (% off-trade retail value, 2008).

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