

## Merger Discussions between Coca-Cola Amatil and Kirin's affiliated company, Lion Nathan

Lion Nathan Limited (Sydney, Australia; CEO Rob Murray; hereafter, "LN"), a 46% owned and affiliated company of Kirin Holdings Company, Limited (President and CEO Kazuyasu Kato; hereafter, "KH"), has announced today that it is in discussions regarding a potential merger with Coca-Cola Amatil Limited (Sydney, Australia; Chairman, David M. Gonski; hereafter "CCA"), Oceania's leading non-alcoholic beverages company. If successful, KH will have a shareholding of 47.5% of the merged company ("MergeCo"), and will be able to consolidate MergeCo's results. LN would acquire all of the issued shares in CCA via a scheme of arrangement which will require approval from the CCA shareholders.

The combination of LN and CCA would create the leading Australian and New Zealand beverage company with a strong and diversified business comprising leading brands spanning almost all drinking occasions including beer, soft drinks, spirits and fine wine.

### Transaction Terms

- The proposed purchase price for CCA is approximately A\$8.0 billion, payable by way of cash and shares in LN, with the choice of consideration at the election of CCA shareholders (subject to scale back).
- The proposed consideration mix for the transaction is A\$4.5 billion cash and 346 million LN shares. The cash component of the consideration will be financed via:
  - a placement to KH of up to 327 million new LN ordinary. The placement will raise approximately A\$3.76 billion of cash, will require LN shareholder approval and is conditional upon the proposed merger proceeding; and
  - a limited amount of transaction debt for which LN has obtained committed bank facilities. The debt raised by LN is sized to ensure that the combined business has a strong balance sheet and significant financial flexibility going forward.
- The merger would require the approval of a range of regulatory authorities including the ACCC, the NZCC, the FIRB, and would be subject to other customary conditions for a transaction of this nature. It will also require the support of both LN shareholders (in relation to the placement) and CCA shareholders (in relation to the scheme of arrangement) in separate shareholder meetings.
- The proposed transaction represents a combination of CCA and LN and there is no intention to vend or otherwise combine any of KH's other businesses or assets in the region, including National Foods into the combined company.

KH's long-term group vision, as outlined in KH Group Vision 2015, is to be a leading company in Asia and Oceania, and KH has been promoting a strategy in these regions of focusing on profitable operations in the area of "food and health".

CCA is Oceania's leading non-alcoholic beverages company, manufacturing and distributing carbonates, functional drinks and food, possessing a strong distribution network and a logistics function reaching across Australia. Through the acquisition, KH will reinforce the foundation of the beverage business within the Oceania region, and further drive KH group's integrated beverage strategy.

Through the merger, KH would reinforce the foundation of the beverage business within the Oceania region, and further drive KH group's comprehensive beverages strategy.

Attached material: Corporate Fact Sheet of LN and CCA

For further information please contact;

**Japan**

Kirin Holdings Company, Limited

Corporate Communications Department

10-1, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan 104-8288 TEL: +813-5540-3448

URL: <http://www.kirinholdings.co.jp>

## Corporate Fact Sheet: Coca-Cola Amatil Limited

1. Company name  
Coca-Cola Amatil Limited
2. Head office  
Sydney, New South Wales, Australia
3. Representative  
David M Gonski, Chairman  
Terry J Davis, Group Managing Director
4. Capital stock  
(As of December 31, 2007\*)  
Net assets: A\$1,441 million  
Total assets: A\$4,638 million
5. Financial results  
(For FY ended  
December 31, 2007\*)  
Net sales: A\$4,017 million  
EBIT: A\$648 million  
Net profit: A\$368 million  
\* December financial year end
6. Number of employees:  
(As of December 2007)  
Approximately 15,666
7. Business description:  
Leading non-alcoholic beverages business, Food service business
8. Core brands  
Own brands: Kirks, Deep Spring  
Licensed brands: Coca-Cola, Lift, Sprite, Fanta, Powerade
9. Manufacturing base  
26 major facilities  
(Australia 9, New Zealand 5, Fiji 1, Indonesia 10, Papua New Guinea 1)
10. Company milestones  
1904: Company established (British Tobacco Company (Australia) Limited)  
1964: Acquired Coca-Cola Bottlers (Perth) Pty Ltd  
1977: Changed company name to Amatil Limited  
1988: Acquired Coca-Cola bottling operations in Fiji and New Zealand  
1989: Changed company name to Coca-Cola Amatil Limited  
The Coca-Cola Company becomes the major shareholder  
1991: Acquired two major Coca-Cola bottling operations in Papua New Guinea  
1998: Demerged European operations to create a new separate publicly-listed company, Coca-Cola Beverages  
2005: Acquired Grinders Coffee and SPC Ardmona  
Acquired the Northern Territory soft drink business from Parmalat Australia. This acquisition made the company the sole licensee of Coca-Cola products in Australia  
2006: Established Pacific Beverages as a alcohol joint venture with SABMiller

