



2010 Financial Results Briefing

February 2011

Asahi

ASAHI BREWERIES, LTD.



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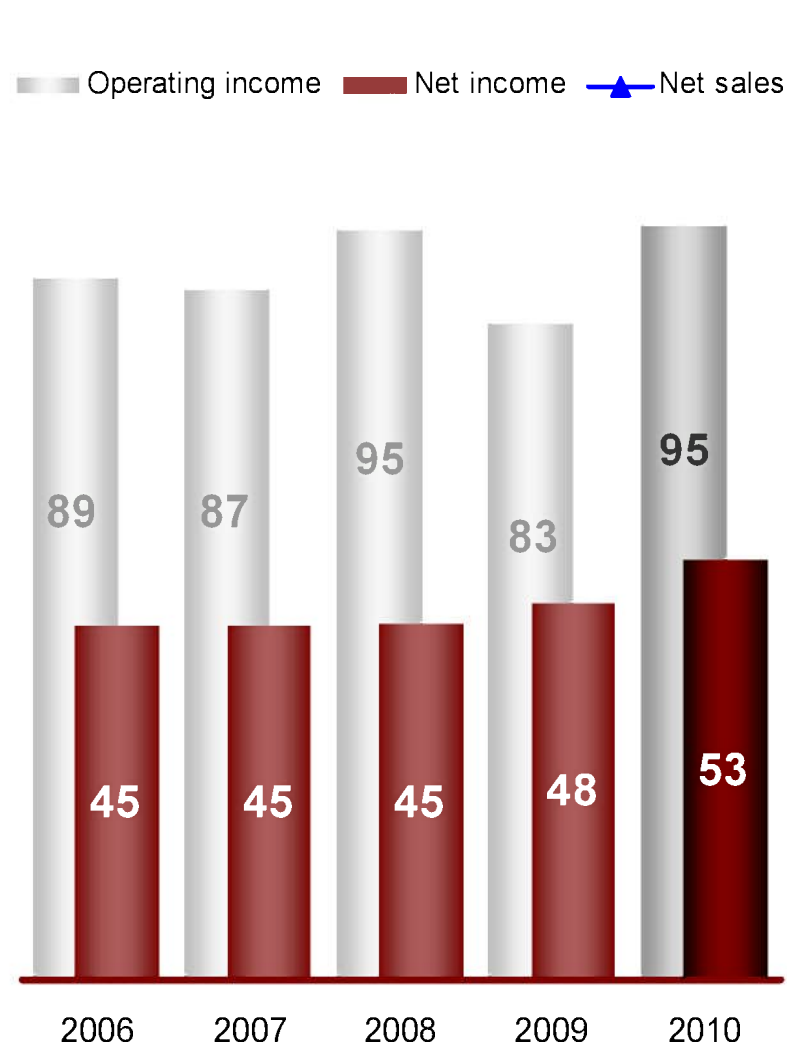
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Overview of 2010 Financial Results



Exceeded sales and profit growth targets in Medium-Term Management Plan 2012's inaugural year



	2010 Result	2009 Result	Inc./Dec.	YoY
Alcoholic Beverages	963.3	985.5	-22.2	-2%
Soft drinks	315.2	296.9	18.4	6%
Food	100.5	96.3	4.1	4%
Overseas	97.8	78.5	19.3	25%
Other	12.7	15.3	-2.6	-17%
Net Sales	1,489.5	1,472.5	17.0	1%
Alcoholic Beverages	84.7	78.5	6.2	8%
Soft drinks	11.0	8.0	3.1	39%
Food	4.6	3.7	0.9	26%
Overseas	-1.1	-2.8	1.7	-
Other	-4.0	-4.6	0.6	-
(Amortization of goodwill etc.)	(-7.7)	(-7.1)	-0.7	-
Operating Income	95.3	82.8	12.6	15%
Equity method income	9.8	8.5	1.3	16%
Ordinary Income	101.1	90.5	10.6	12%
Extraordinary profit (loss)	-8.7	-2.5	-6.2	-
Net Income	53.1	47.6	5.4	11%



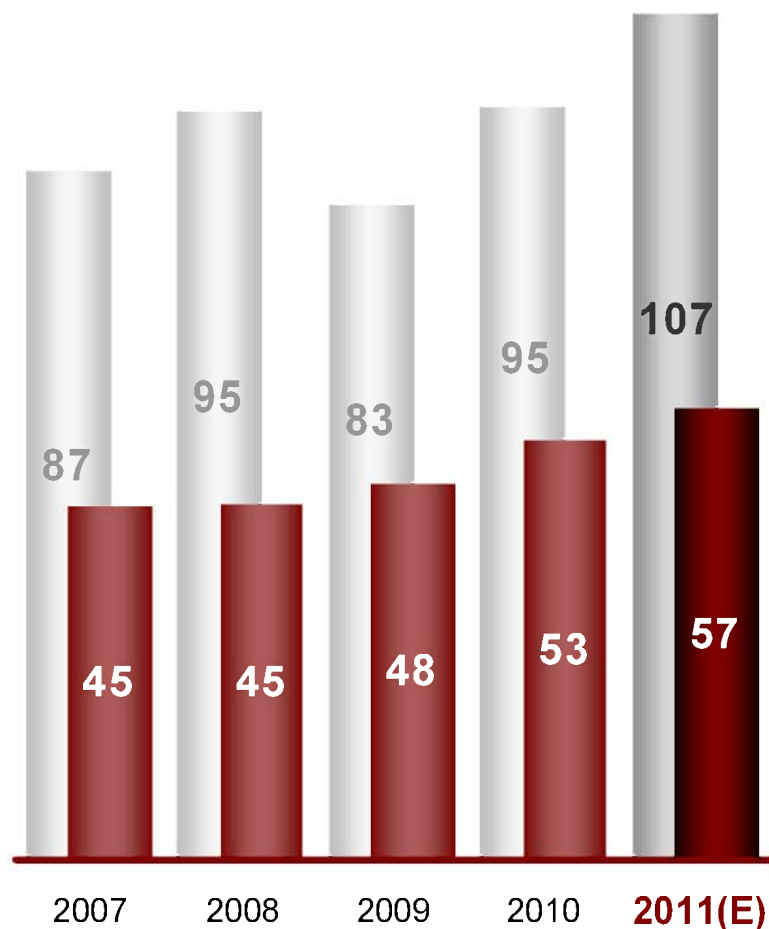
2011 Performance Forecast



Pursuing truly global group management with the Alcoholic Beverages Business as a cash cow

(billions of yen)

Operating income Net income Net sales



	2011 Target	2010 Result	Inc./Dec.	YoY
Alcoholic Beverages	957.5	963.3	-5.8	-1%
Soft drinks	327.8	315.2	12.6	4%
Food	107.6	100.5	7.1	7%
Overseas	86.4	97.8	-11.4	-12%
Other	10.7	12.7	-2.0	-16%
Net Sales	1,490.0	1,489.5	0.5	0%
Alcoholic Beverages	90.0	84.7	5.3	6%
Soft drinks	13.2	11.0	2.2	19%
Food	5.0	4.6	0.4	8%
Overseas	4.4	-1.1	5.6	-
Other	-5.6	-4.0	-1.7	-
(Amortization of goodwill etc.)	(-7.2)	(-7.7)	0.5	-
Operating Income	107.0	95.3	11.7	12%
Equity method income	9.4	9.8	-0.4	-4%
Ordinary Income	112.0	101.1	10.9	11%
Extraordinary profit (loss)	-8.0	-8.7	0.7	-
Net Income	57.0	53.1	3.9	7%



Overview of 2010 and Future Strategy

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Results

- **Achieved profit targets by virtue of profit structure reforms**
 - (1) Boosted efficiency in all Group divisions, particularly the Alcoholic Beverage Business
 - (2) Finalized decision to restructure breweries
- **Expanded growth foundations of Group businesses (Soft Drinks, Food)**
 - (1) Acquired Rokko no Oishii Mizu and Rokujo Mugi-cha
 - (2) Expanded production capacity of Wakodo and Amano Jitugyo
- **Strengthened Overseas Business's earnings base**
 - (1) Bolstered alliance with Tsingtao Brewery (2) Sold off Korean soft drinks business
 - (3) Acquired P&N Beverages (4) Invested in Ting Hsin Group

Issues

- **Overall SCM innovation in the Domestic Alcoholic Beverages Business**
 - (1) Marketing aimed at creating new value and new demand
 - (2) Overall structural reforms in SCM, from development through to sales
- **Shore up and strengthen the Group's business foundations**
 - (1) Consolidation of the domestic soft drinks industry (2) Selective concentration of resources in the Food Business
 - (3) Expanded global growth foundations

★ **Transitioning to a pure holding company structure and pursuing truly global group Management**

- (1) Clarify business units' authority and responsibilities and enhance their specialization to bolster earnings base
- (2) Accelerate growth strategy through rapid decision-making and optimal allocation of resources to growth areas



2010 Beer-type Beverages Sales Performance

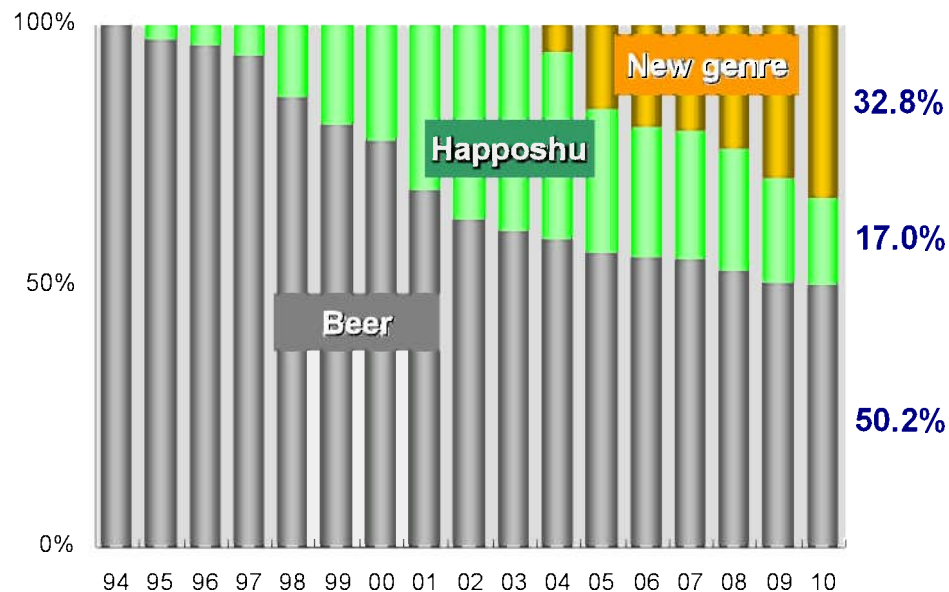


■ Beer-type beverages: taxable sales volume (Jan – Dec 2010)

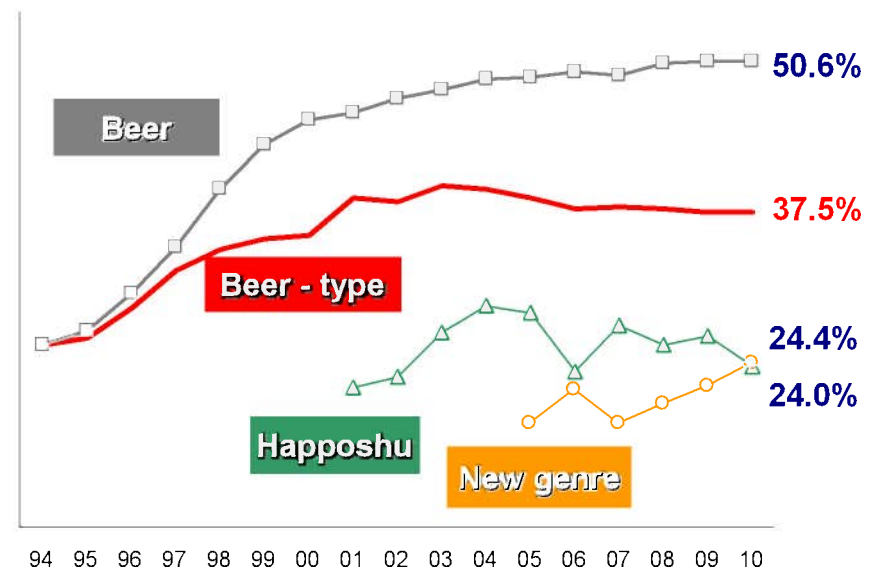
(million cases)

		Industry total			Asahi Breweries			
		Cases	YoY	Composition	Cases	YoY	Market share	Change
	Beer	230.48	(3.6)%	50.2%	116.65	(3.6)%	50.6%	0.0%
	Happoshu	78.07	(17.7)%	17.0%	18.75	(25.8)%	24.0%	(2.6)%
	New genre	150.63	8.7%	32.8%	36.82	18.9%	24.4%	2.1%
	Total	459.17	(2.8)%	-	172.22	(2.8)%	37.5%	0.0%

<Market sales mix (1994-2010) >



<Our market share(1994-2010)>





2011 Beer-type Beverages Marketing Strategy



■ Beer-type Beverages Marketing Strategy

■ Build portfolio of products that generate constant revenue streams

- Strengthen and develop key brands in each category/genre, with a central focus on Super Dry and Clear Asahi

■ Develop products designed to create demand; create new product categories

- Launch the Kotomono Laboratory to develop responses to changes in consumer behavior, and offer new value propositions that combine our alcoholic beverage, soft drink, and other capabilities

< 2011 Sales Target by brand>

	2011 Target	2010 Results	YoY Changes
Super Dry	110.80	112.65	△ 1.6%
Beer total	113.00	116.10	△ 2.7%
Style Free	11.40	11.45	△ 0.4%
Happoshu total	14.50	18.63	△ 22.2%
Clear Asahi	25.40	21.43	+18.5%
Off	7.70	7.17	+7.4%
Ichiban-Mugi	5.00	-	-
New genre total	42.50	36.44	+16.6%
Total	170.00	171.12	△ 0.7%

(milions of cases)

<2011 Market Outlook>

	2011 vs 2010
Beer	approx. -3-4%
Happoshu	approx. -12-13%
New Genre	approx. +5-6%

Beer-type Total
Approx. -2-3%



Beer-type Beverages Brand Strategy

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Beer



Super Dry

Continue promoting our product to our core demographics and step up promotion to emerging customer segments (younger people, women)



Wider promotion of the Extra Cold campaign



Continuation of the Refreshingly Sustainable Project

Happoshu



Style Free

Increased quality from early April



Strengthen presence in the low-carb and no-carb categories

Asahi Off



Increased quality from early February



New genre



Clear Asahi



Increased quality from start of year



Ichiban Mugi

Launch March 1

New 100%-barley genre

- Outstanding "gulpability"
- Mild aftertaste



Other Alcohol Category Overview and Future Strategy



Overview of 2010 and Strategy for 2011

◆ Sales expanded in response to launch of highball cans, beer-flavored beverages, and other products

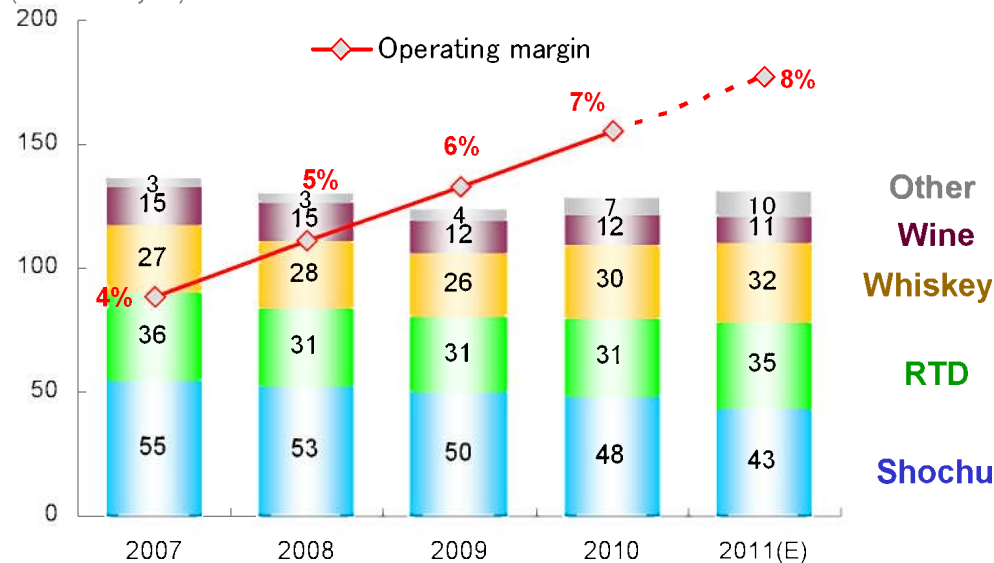
- (1) Profitability improved on strengthening of core brands
- (2) Expanded market presence for W-Zero

◆ Achieved operating margin of 7% thanks to streamlining of production and sales costs and improvement of category mix

- (1) Revised sales policies for shochu, whisky, and wine
- (2) Improved profitability by streamlining products costs

<Sales by category and operating margin>

(billions of yen)



	2010	Growth rate	2011	Growth rate
Shochu	48.3	-4.0%	43	-10.1%
RTD	31.2	+2.0%	35	+10.9%
Whiskey	30.4	+17.2%	32	+5.9%
Wine	11.5	-7.4%	11	-7.0%
Other	7.0	+79.5%	10	+42.9%
Total	128.4	+4.3%	131	+1.9%



Profit Structure Reform in Alcoholic Beverages Business



■ Overview of 2010

- ◆ Efficiency gains totaling ¥13.0 billion
- ◆ Decided to consolidated Kansai-region breweries (slated for September 2011)
 - From 9 breweries to 8 breweries (boost capacity utilization to around 97%)



■ 2011 Plan

- ◆ Reduce in manufacturing (by ¥3.1bn)
 - Raw material, Improve production processes
- ◆ Reduce fixed expenses (by ¥3.8 bn)
 - Reduce depreciation, restructure production operations, etc.
- ◆ Streamline advertising and sales promotion expenses (by ¥2.0 bn)



Breakdown of advertising and sales promotion expenses over time

	2005	2006	2007	2008	2009	2010	YoY	(billions of yen)	
								2011 Plan	Target
Sales promotion expenses	77.8	80.8	77.9	64.9	64.1	66.5	2.4	67.5	+1.0
Advertising expenses	32.2	32.7	34.9	32.3	33.2	30.7	(2.5)	27.7	(3.0)
Total	110.0	113.5	112.8	97.2	97.3	97.2	(0.1)	95.2	(2.0)
Breakdown by category									
Beer	54.9	58.6	59.5	50.1	51.0	51.1	0.1	49.6	(1.5)
Happoshu	12.2	9.9	13.0	10.1	8.1	3.4	(4.7)	2.6	(0.8)
New genre	9.2	13.0	10.0	10.9	13.7	17.5	3.8	18.3	+0.8
Beer-type total	76.3	81.5	82.5	71.0	72.8	72.0	(0.8)	70.5	(1.5)
Other alcoholic beverages total	33.7	32.0	30.3	26.2	24.5	25.2	0.7	24.7	(0.5)



Soft Drinks Business Overview and Strategies

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Asahi Soft Drinks

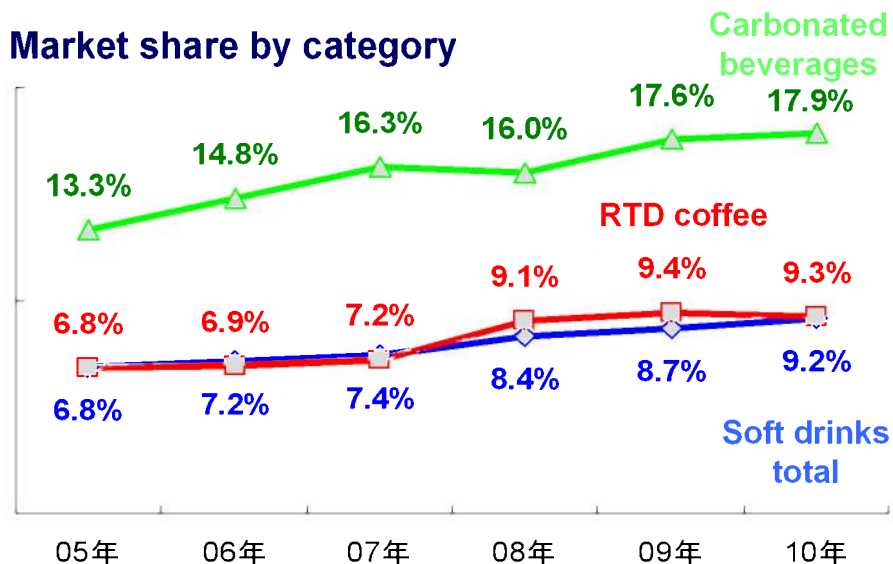
■ Growth strategy

- ◆ Record-high net sales for 8th consecutive year on impact of summer heat wave and newly launched TeaO and Rokko no Oishii Mizu
 - Aim for 10% market share and strength three key brands as well as TeaO, mineral water offerings, Rokujo Mugi-cha, and Wilkinson

■ Profit structure reform

- ◆ Optimize production operations and reduce raw material cost by around ¥5.0 billion
 - Aim for efficiency gains exceeding the medium-term plan's goals by insourcing PET production and reducing PET bottle weight

Market share by category



LB

◆ Merge LB (Tokyo) and LB (Nagoya)

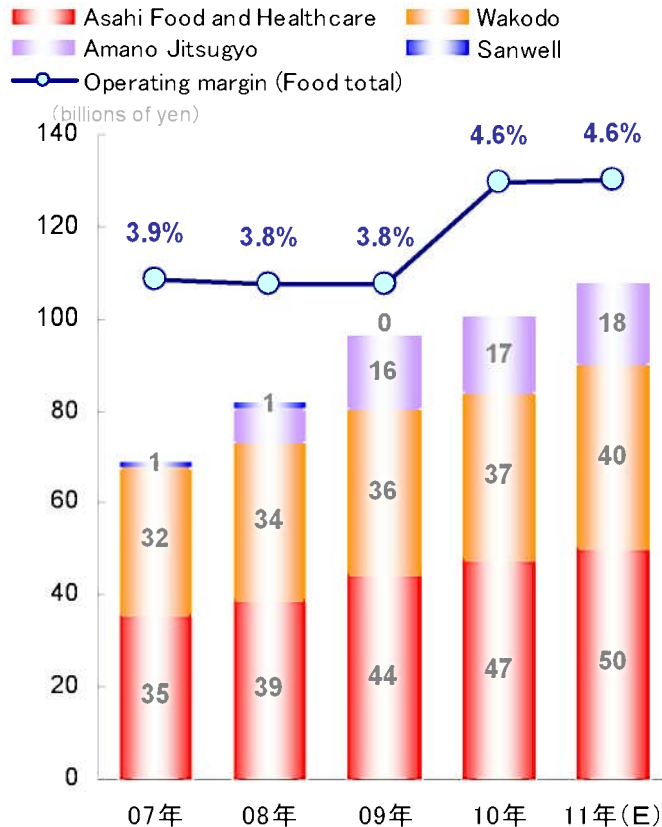
- Build new product portfolio in the chilled beverages business
- Eliminate functional overlap to boost profitability



Food Business Overview and Strategy



<Past Performance and 2011 Plan>



Asahi Food and Healthcare

- ◆ Steady growth of key brands; efficiency gains in production costs etc.
 - Expand investment in growth businesses and build foundations in yeast extract business

Wakodo

- ◆ Steady growth of the baby food business and refurbishment of main plant
 - Strengthen existing businesses while building foundations in new areas, e.g. expansion into China

Amano Jitsugyo

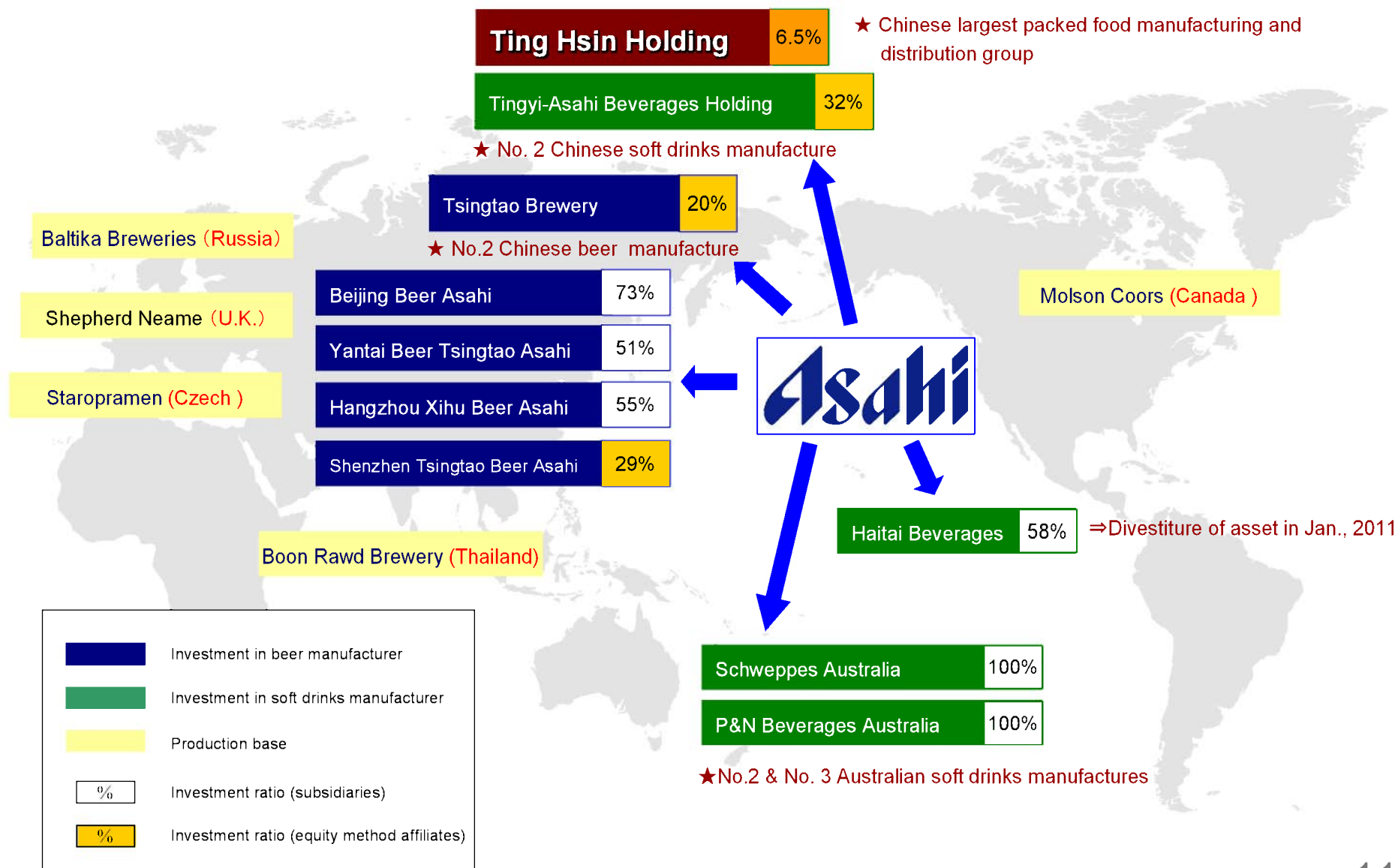
- ◆ Expand direct marketing business and logistics operations; strengthen production capabilities
 - Further expand sales channels and grow by creating new product categories

➔ **Strengthen core brands and expand new business areas; collaborate with the Ting Hsin Group in China**



2010 Overseas Business

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Australian Soft Drinks Business Overview and Strategies **Asahi**

australia
schweppes

■ Schweppes Australia Past Performance and Plan

*Local currency basis, full-year figures



■ 2010 Overview

- Successfully delivered revenue & profit growth in 2010 (in AUD) through pricing and expansion of higher sales channels (CVS, Retail & LOP etc)
- Fell short of targets due to factors such as poor weather in high-demand season

■ Future Strategies

- Actively invest in own brands and expand highly profitable sales channels
- Continue with supply chain efficiency program
- Drive integration of the two businesses upon completion of P&N acquisition.

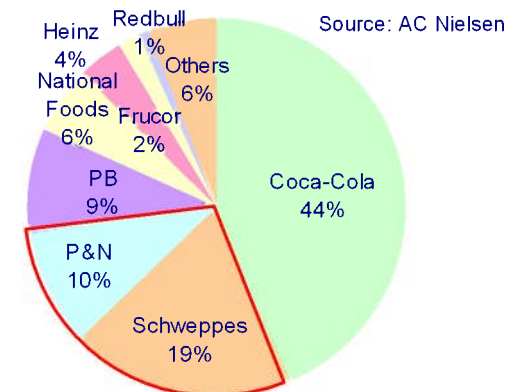


■ Acquisition of P&N Beverages

◆ Accelerate growth strategy in the Australian soft drinks business

- (1) Drive portfolio growth through integrating the two portfolios
- (2) sales through integrating channel strategies, taking the strengths of both businesses
- (3) Drive efficiency across supply chain to generate cost synergy

Australian Soft Drinks Market Shares (Jan.–Nov. 2010)





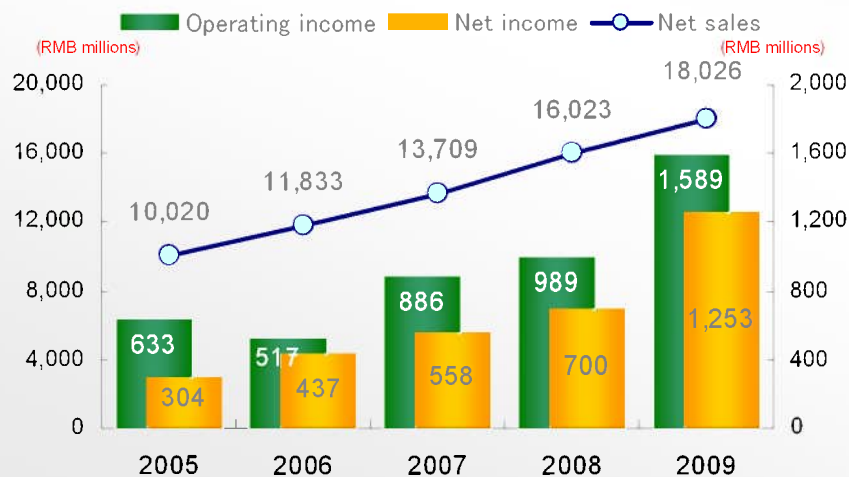
Chinese Beer Business Overview and Strategy



2010 Overview

- ◆ Improve profitability through, e.g., contracted production of Tsingtao brand products at all breweries
- ◆ Tsingtao Brewery posted strong performance, boosting our income from equity-method affiliates

*Local currency basis, full-year figures



Tsingtao Brewery Summary for Jan-Sep 2010

(RMB millions)

	Results	Growth rate
Net sales	16,348	+11%
Operating income	1,893	+21%
Net income	1,525	+22%



- Substantial growth in the high-price-point Tsingtao brand
- Expanding sales and profits on back of price increases
- Efficiency gains from brand consolidation and reduction of raw material unit prices

2011 Business Strategy

- (1) Achieve positive operating income by, e.g., expanding contracted production of Tsingtao brand products at all breweries
- (2) Support Tsingtao Brewery's growth strategy and boost income from equity-method affiliates
- (3) Expand the Asahi brand's market presence by tapping into new sales channel and areas through alliances with major wholesalers, etc.

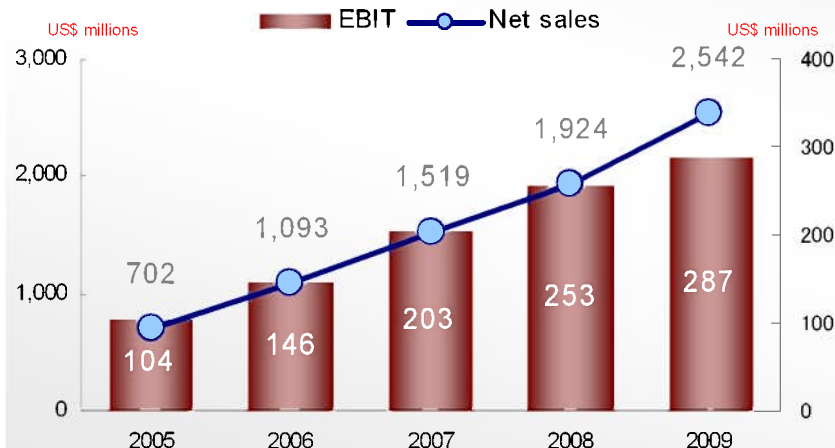


Chinese Soft Drinks Business Overview and Strategy

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Tingyi-Asahi Beverages Holding's Performance (Soft Drink Segment)

*Local currency basis, full-year figures



Summary for Jan–Sep 2010

◆ Net sales (+41%), EBIT (+28%)

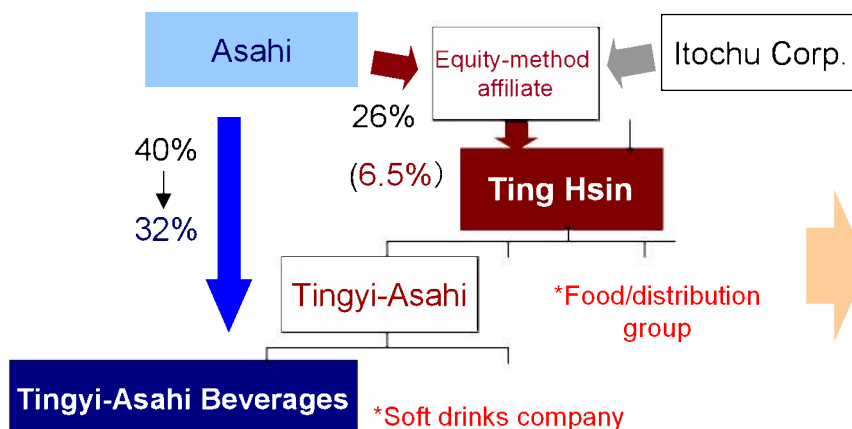
- Substantial growth in tea and fruit juice reflecting impact of promotional campaigns
- Streamlined advertising and other fixed expenses to offset increase in raw material costs

Future Strategies

- ◆ Pursue aggressive sales strategy in the aim of capturing No. 1 market share in China, mainly in the 3 core product categories



Investment in Ting Hsin Holding Corp.



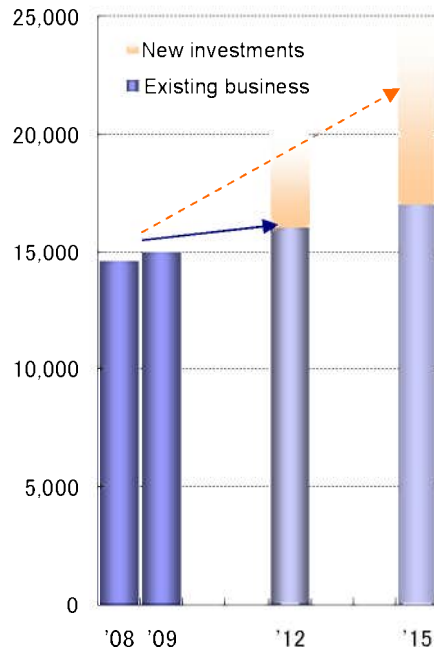
- ◆ Invest in the entire Ting Hsin Group to pursue business alliances across the entire food products and distribution businesses, in addition to the Chinese soft drinks business
- ◆ Launch project in conjunction with 3 domestic food companies



Medium-Term Management Plan 2012



■ Medium- and long-term sales guidelines



Long-term Vision 2015

◆ Aim to achieve sales of ¥2–2.5 trillion and join the ranks of the top-10 global food companies

- Achieve stable growth of existing businesses and expand investment in domestic and overseas operations
- Pursue target of increasing overseas operations' share of total sales to 20–30%

◆ Aim to achieve EBITDA margin of at least 12%

- Improve profitability of existing businesses, chiefly the Domestic Alcoholic Beverage Business
- Aim to earn EBITDA margin of at least 10% on investments in new businesses also

*EBITDA = ordinary income + interest expense + depreciation
(including goodwill amortization etc.)*

■ Strategies by business & geographic area

○ High-priority △ Low-priority

	Domestic	Overseas	Aims of Alliances
Alcoholic Beverages Business	Case-by-case screening	Focused mainly on Asia & Oceania	◆ To build an international network of long-term business partners
Soft Drinks Business	Industry consolidation	Focused mainly on Asia & Oceania	◆ To strengthen competitiveness by supplementing brands, channels, etc. ◆ To build an international network of long-term business partners
Food Business	Case-by-case screening	Case-by-case screening	◆ To lay foundation that will be the Food Business's future core



その感動を、わかちあう。

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