

FOR IMMEDIATE RELEASE

Company name: Asahi Breweries, Ltd.
President: Naoki Izumiya
Stock Ticker Number: 2502
Stock Exchanges: Tokyo and Osaka
(First Section each)
Contact: Public Relations Department
Asahi Breweries, Ltd.
Phone: +81-3-5608-5126

Asahi Breweries, Ltd. has entered into a share purchase agreement to acquire P&N Beverages Australia Pty Ltd

August 26th, 2010, Tokyo, Japan – Asahi Breweries, Ltd. (“Asahi”) is pleased to announce that it has entered into a binding share purchase agreement to acquire 100% of the issued shares of P&N Beverages Australia Pty Ltd (“P&N”), the third largest soft drink company by volume in Australia, which was based on the Asahi’s board resolution today.

1. Acquisition of P&N

Under the agreement, Asahi Holdings (Australia) Pty Ltd (“AHA”), a wholly owned subsidiary of Asahi, will acquire 100% of the issued shares in P&N. The agreement is subject to regulatory approvals from the Australian Competition and Consumer Commission (“ACCC”) and the Foreign Investment Review Board (“FIRB”). The acquisition is expected to be completed by the end of November 2010.

Following the acquisition of Schweppes Holdings Pty Ltd (“Schweppes”) in April 2009, the acquisition of P&N will further strengthen Asahi’s Australian and overseas soft drinks business. Through integrating P&N and Schweppes, Asahi will capture synergies across the Asahi group of companies (“Asahi Group”) and establish a solid platform in Australia that will facilitate Asahi group companies’ growth in Oceania.

The total purchase price for this transaction is \$A364 million (approximately 27.2 billion JPY)¹. The purchase price will be subject to price adjustments at completion, based on the level of working capital, cash on hand and interest bearing debts at the time of completion of acquisition of P&N.

2. Rationale for the acquisition

Under Asahi’s Long-term Vision, Asahi Group aims to increase its sales to ¥2–2.5 trillion, increase share of overseas sales to 20-30% and join the ranks of the top global food companies in scale while becoming a trusted company with global quality by 2015.

¹ \$A1 = JPY 74.6 as of 25 August, 2010

To achieve this goal, Asahi will drive growth of the existing businesses as well as expand its overseas investment activities for further synergies.

Through the acquisition of P&N, Asahi Group aims to enhance its position within the Australian beverage market. Integration of Schweppes and P&N will enable both to take advantages of the integrated portfolio and efficiencies deriving from the combined supply chain system. This acquisition will deliver significant growth opportunities and synergies within the Australian and overseas soft drinks businesses of Asahi Group.

Following this announcement, P&N and Schweppes will together establish an integration executive committee to begin preparations, aiming to realise synergies as soon as possible.

3. Overview of P&N

P&N is the third largest soft drink company by volume in Australia. P&N's product portfolio includes carbonated soft drinks, juice, water and cordials. Its major brands include Frantelle Spring Water, Extra Juicy, Pop Tops, Pub Squash, Waterfords Mineral Water, Tru Blu carbonated soft drinks and Wicked.

P&N also manufactures a range of private label beverages for major grocery customers, an important and growing segment of the Australian market. P&N employs approximately 600 permanent employees across four (4) manufacturing sites and five (5) distribution centres.

1) Company name	P&N Beverages Australia Pty Ltd
2) Registered head office	Condell Park New South Wales, Australia
3) Representative	Robert Peter Brooks, Managing Director
4) Business description	Manufacture and sales of soft drinks
5) Fiscal year-end	June
6) Capital	\$A3.6 million
7) Established	July 1990
8) Current ownership	Robert Peter Brooks (83%) and Goldpeach Pty Ltd (17%)

4. P&N Key Financials

A\$m	FY10
Profit and Loss	
Net sales	384.7
EBITDA	44.6
EBIT	33.2
Balance Sheet	
Net assets	71.5
Total assets	166.6

5. Acquisition Structure

AHA, a wholly owned subsidiary of Asahi, will acquire 83% of the shares from Robert Peter Brooks and the remaining 17% from Goldpeach Pty Ltd (wholly owned by Robert Peter Brooks).

6. Impact on Asahi's Financial Performance

Asahi expects that this acquisition will be completed by the end of November 2010 but acknowledges the fact that the acquisition may not take place in 2010 as the shares will only be acquired subject to various conditions being satisfied, including approval from ACCC and FIRB and other conditions specified in the share purchase agreement. Therefore, the impact on Asahi's financial results (individual and consolidated basis) for the year ending December 2010 will be announced separately after completion of the acquisition.