

## **FOR IMMEDIATE RELEASE**

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### **Asahi Group Holdings, Ltd. announces recommended takeover offer to acquire 100% of the issued share capital of Charlie's Group Limited**

Monday 4 July 2011 Tokyo, Japan – Asahi Group Holdings, Ltd. (“Asahi” which was formerly known as “Asahi Breweries, Ltd.”) is pleased to announce that, through its New Zealand subsidiary, it has given notice of intention to make a takeover offer to acquire 100% of the issued share capital of Charlie's Group Limited (“Charlie's”) for NZ\$0.44 per share in cash.

#### **1. Acquisition of Charlie's**

Asahi Beverages New Zealand Limited, a wholly owned subsidiary of Asahi, has offered shareholders of Charlie's NZ\$0.44 per share in cash to acquire 100% of the issued share capital of Charlie's.

The offer price of NZ\$0.44 per share represents a 57 per cent premium to the closing share price of NZ\$0.28 of July 1, 2011 and a 55 per cent and 54 per cent premium to the 1-month volume weighted average price (“VWAP”) and 3-month VWAP, respectively.

The acquisition of Charlie's will further strengthen Asahi's overseas beverages business and provide an entry into the New Zealand market. In tandem with Asahi's existing operations in Australia, through Schweppes Australia, this will help consolidate its platform for future growth in the Asia Pacific region.

The total purchase price for this transaction is expected to be NZ\$130 million (approximately 8.7 billion Yen)<sup>1</sup>.

The acquisition is conditional upon:

- the receipt of acceptances for 90% or more of the Charlie's shares (or, if the 90% condition is waived by Asahi, at its discretion, receipt of acceptances for more than 50% of the Charlie's Shares);
- receipt of New Zealand Overseas Investment Office (“OIO”) consent; and
- other conditions customary for a transaction of this nature.

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<sup>1</sup> \$NZ1 = JPY 66.8 as of 1 July 2011

## **2. Charlie's Board recommended offer**

The Board of Directors of Charlie's has unanimously recommended the offer to its shareholders, in the absence of a superior proposal and subject to the Independent Adviser's Report on the merits of the offer concluding the price for Charlie's shares under the offer is higher than, or within the Independent Adviser's valuation range.

## **3. Key shareholders are supportive of the offer**

Key shareholders, including Collins Asset Management Limited, Tim Cook and the trustees of the family trusts of Stefan Lepionka (the Chief Executive Officer of Charlie's), Simon Neal and Marc Ellis, who control 52.17% of Charlie's shares on issue have signed Lock-In Agreements with Asahi Beverages New Zealand Limited under which they have irrevocably agreed to accept the offer within one business day after despatch of the offer.

## **4. Rationale for the acquisition**

Under Asahi's long-term vision, Asahi aims to increase its sales to 2–2.5 trillion Yen, increase its 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.

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

Through the acquisition of Charlie's, Asahi will establish a position within the New Zealand beverage market. Post acquisition, Asahi intends to continue to operate Charlie's as a stand-alone business. Charlie's is a highly innovative company, with a unique portfolio of premium brands, and this acquisition would provide Asahi with a sound platform for growth in the region.

## **5. Overview of Charlie's**

Charlie's is a manufacturer and marketer of premium beverage brands, including Charlie's, Phoenix Organic and Juicy Lucy. The product portfolio includes juices, quenchers, smoothies, carbonated beverages, mineral waters, still waters and hot beverage mixers.

Charlie's brands are uniquely positioned as quality, natural and trustworthy products.

Charlie's employs approximately 78 employees across two manufacturing sites – one in Henderson in New Zealand and another in Renmark, South Australia.

|                        |  |
|------------------------|--|
| Company name           | Charlie's Group Limited  |
| Registered head office | West Auckland, New Zealand   |
| Representative         | Chief Executive Officer, Stefan Lepionka   |
| Home exchange          | New Zealand Stock Exchange   |
| Business description   | Beverage manufacturer  |
| Fiscal year-end        | June   |
| Capital                | NZ\$82m market capitalisation at 1 July 2011                                     |
| Established            | 1999   |
| Current ownership      | 19.45% Collins Asset Management Limited<br>14.11% Stefan Lepionka & Nigel Hughes |

|  |  |
|--|--|
|  | 13.82% Mark Ellis, Christopher Ellis & Stephen Underwood |
|--|--|

## 6. Key Financials

| Jun y/e NZ\$m   | FY10    |
|-----------------|---------|
| Profit and Loss |         |
| Net sales       | \$31.6m |
| EBITDA          | \$3.4m  |
| EBIT            | \$2.4m  |
| Balance Sheet   |         |
| Net assets      | \$16.3m |
| Total assets    | \$21.9m |

## 7. Acquisition structure

The offeror is Asahi Beverages New Zealand Limited (“ABNZ”), a newly incorporated company in New Zealand for the purpose of this acquisition. ABNZ is a wholly-owned subsidiary of Asahi Holdings (Australia) Pty Ltd, Asahi’s wholly-owned subsidiary in Australia.

## 8. Indicative Timetable

Below is an indicative timetable for the acquisition of Charlie’s. This timetable may change, subject to the requirements of the New Zealand Takeovers Code and subject to other various factors, including without limitation, the timing of receipt of the OIO consent.

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|--|---|
| 4 July 2011                            | Enter into Implementation Deed with Charlie’s and Lock-in Agreements with key shareholders of Charlie’s |
| 4 July 2011                            | Filing of Notice of Intention to make Offer with Charlie’s and NZ authorities                           |
| (Above events occurred earlier today.) |   |
| 21 July 2011                           | Currently anticipated Offer Date  |
| 19 August 2011                         | End of Offer Period, unless the Offer is extended in accordance with the Takeovers Code.                |
| Late September 2011                    | Completion of acquisition of Charlie’s shares, assuming conditions of the Offer are satisfied.          |

## 9. Impact on Asahi’s financial performance

For the time being, it is anticipated that the acquisition of Charlie’s under the offer will not materially impact on Asahi’s financials.