

Overview of the acquired European Beer business



October 2016

◆ Overview of the acquired business

- Peroni, Grolsch and Meantime brands of SAB Miller plc
- 4 companies which manufacture and distribute these brands in Italy, Netherlands and UK

◆ Business results and purchase price Note: 1 EURO = 115.5 JPY as of 7th Oct.

- Sales in FY2016 747 million EURO (approx. 86.3 JPY billion)
- EBITDA in FY2016 170 million EURO (approx. 19.6 JPY billion)
- Purchase price 2,550 million EURO (approx. 294.5 JPY billion)

◆ Rationale of the acquisition

- To make a strategic move for becoming a global player to realize our Long-Term Vision
- To acquire the business foundation in Europe and create synergies based on our Medium-Term Management Policy

◆ Impact for consolidated financial results

- Accounting period to be consolidated in 2016 October - December
Note: We will disclose the detail of impact including one-time cost regarding the acquisition on 2nd Nov.
- After scrutiny, we will disclose the financial outlook from next fiscal year at the announcement of financial results this term

Overview of the acquired business

Acquired Brands	<ul style="list-style-type: none"> • Peroni, Grolsch and Meantime brands <p>Note : excluding the intellectual property rights regarding Peroni and Grolsch in U.S. and Puerto Rico</p>
Acquired Companies	<ul style="list-style-type: none"> • Italy : Birra Peroni S.r.l. • Netherlands : Royal Grolsch NV • U.K. : Miller Brands (UK) Ltd., Meantime Brewing Company Ltd.
Number of Employees	Approx. 1,650 employees (Italy : 730, Netherlands : 650, U.K. : 230, Headquarters : 40)
Manufacturing bases	Italy : 3 factories, Netherlands : 1 factory, U.K. : 1 factory (Meantime)
Sales bases	Italy, Netherlands, U.K., Meantime and exports
Total Assets	1,515 million EURO (approx. 175 JPY billion) in FY2015 (ended 31 st March 2015)
Net Assets	821 million EURO (approx. 94.5 JPY billion) in FY 2015 (ended 31 st March 2015)



Financial results of the acquired business

[FY2016, ended 31st March 2016]

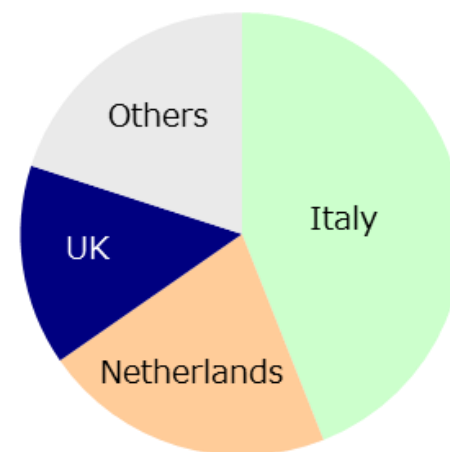
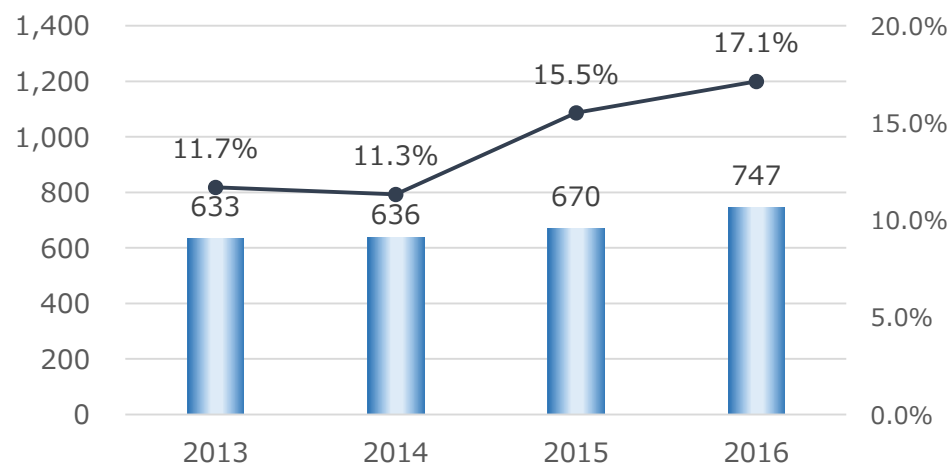
Note: 1 EURO = 115.5 JPY as of 7th Oct.

	FY2016 (ended 31 st March 2016)	FY2015 (ended 31 st March 2015)	YoY	FY13-16 CAGR
Sales Volume	7.3 million HL (approx. 57 million cases)	6.8 million HL (approx. 54 million cases)	+ 6.9%	+ 3.4%
Sales	747 million EURO (86.3 billion yen)	670 million EURO (77.4 billion yen)	+ 11.5%	+ 5.7%
EBITDA	170 million EURO (19.6 billion yen)	145 million EURO (16.7 billion yen)	+ 17.2%	+ 12.2%
EBIT	128 million EURO (14.8 billion yen)	104 million EURO (12.0 billion yen)	+ 23.1%	+ 19.6%

<Sales and OP margin trend of the business>

<Sales Volume by Country>

(million EURO)



Peroni <Italy>

Italian No.1 brand with over 150 years of accumulated history

Market share No.1 (13%), CAGR +1%



Peroni Nastro Azzurro <U.K.>

No.1 super premium brand in U.K.

Market share No.10 (3%), CAGR +7%



Grolsch <Netherlands>

Swing top bottle beer with 400 years history

Market share No.2 (12%), CAGR +2%



Meantime <U.K.>

Pioneer of modern craft beer

CAGR +50%



Source : Canadian, volume basis, CAGR : 2012-2015

◆ Long-Term Vision (Business vision of the future ten years out)

As a comprehensive beverage and food business group whose core business is alcohol beverages, aim to be an industry leader in Japan with high added value as a key area of focus and **establish a unique position as a global player that leverages strengths originating in Japan.**

◆ Medium-Term Management Policy

(One of key priorities : Strengthening of earnings power)

Strengthening of earnings power by positioning the domestic profit base as the cornerstone of earnings and the overseas business as a growth engine

- Promote innovation and demonstration of leadership in the industry with high added value and differentiation as key areas of focus
- Reform the earnings structure and business model evolution through business integration and value chain sophistication
- Acquire foundations for growth, mainly in overseas markets,** leveraging strengths originating in Japan

⇒ **Realization of the Long-Term Vision and execution of M&A strategies based on Medium-Term Management Policy**

- ◆ **Expansion of the overseas foundation for growth through acquiring the established premium brands in Europe and their manufacturing and sales infrastructure**
 - To promote the overseas strategy for growth setting the premium brands as its core
 - To make the sustainable growth as a stand alone business through pursuing sophistication of manufacturing and sales infrastructure
- ◆ **Creation of the synergies utilizing the sales network and know-how of overseas marketing**
 - To expand the presence of Super Dry as a premium brand
 - To develop the acquired brands globally utilizing the existing sales network etc.

M&A Closing
(Day1)

1 year

2 year

To continue the growth as a stand alone business

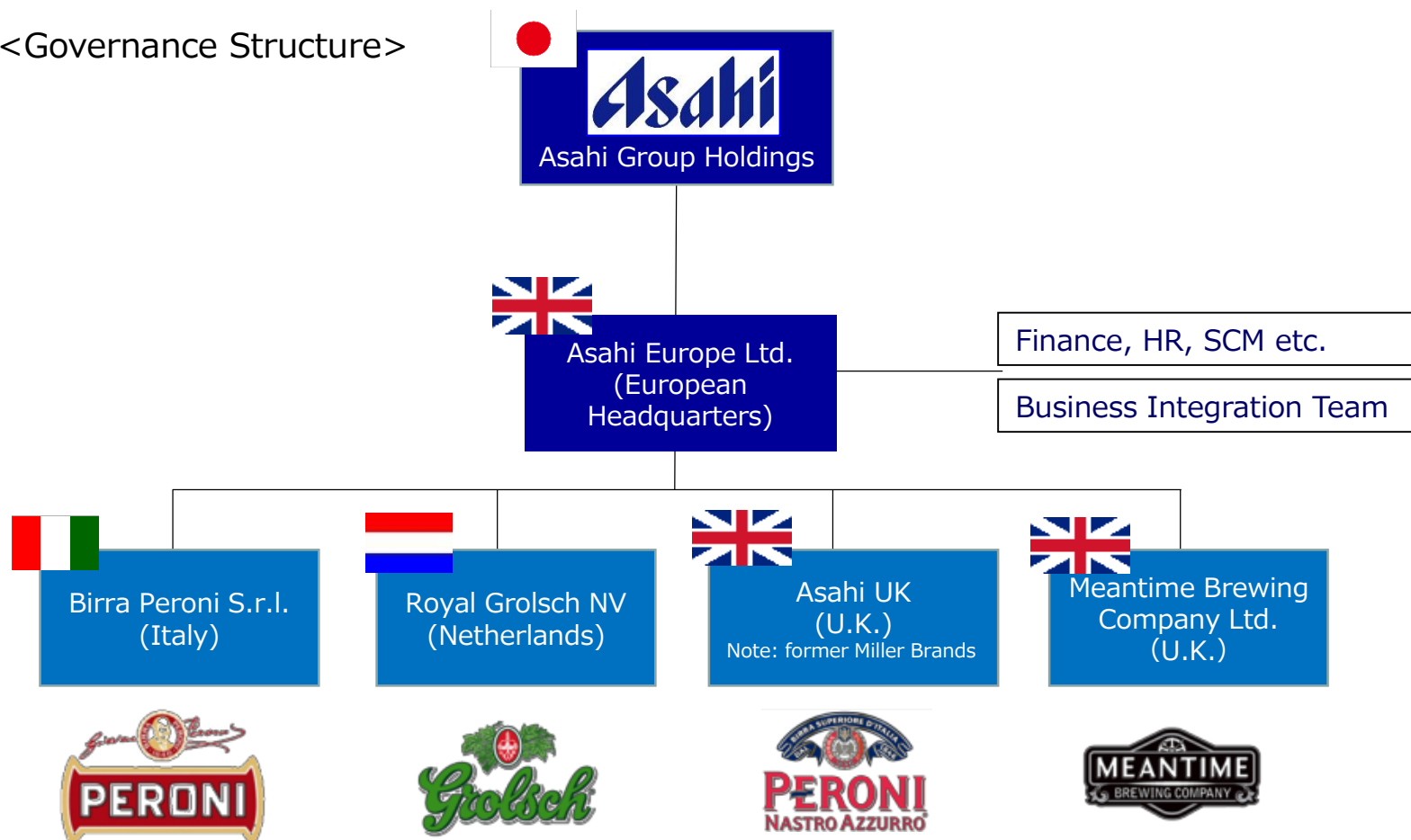
- smooth separation
- retention of HR, accession of know-how

To create group synergies

- expansion of the presence of Super Dry in Europe
- expansion of the acquired brands utilizing the network

- ◆ Setting the European headquarters under the control of Asahi Group Holdings and the local CEO operates the business
- ◆ Setting Business Integration Team in the European headquarters and they play functions for separation, integration and synergy creation

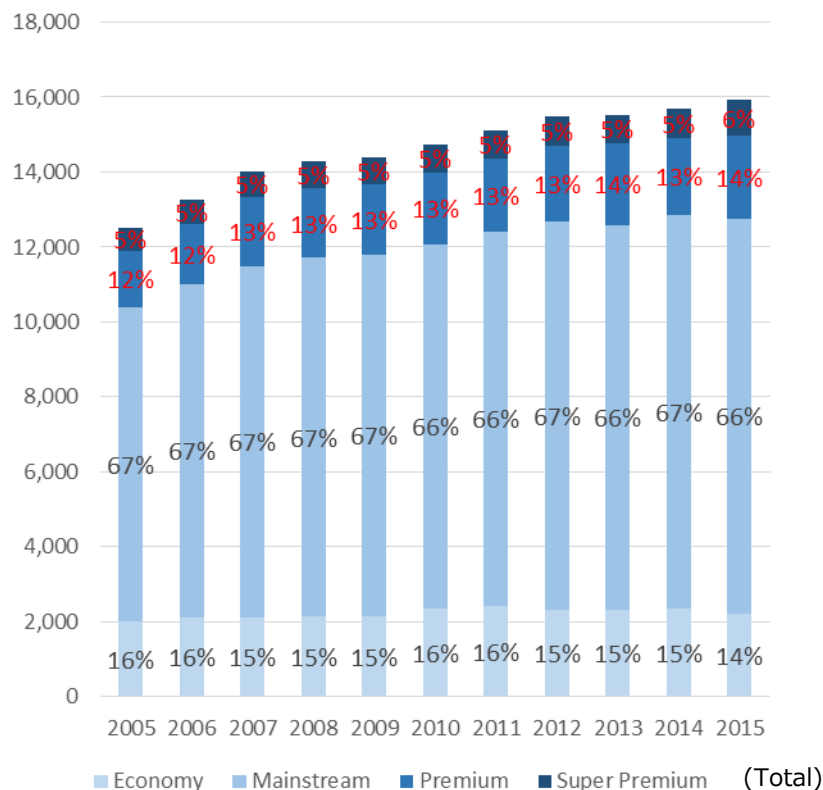
<Governance Structure>



◆ Premium and super premium categories account for approx. 30% of the market and they grow the total market

<Global market size and composition ratio trend>
(volume)

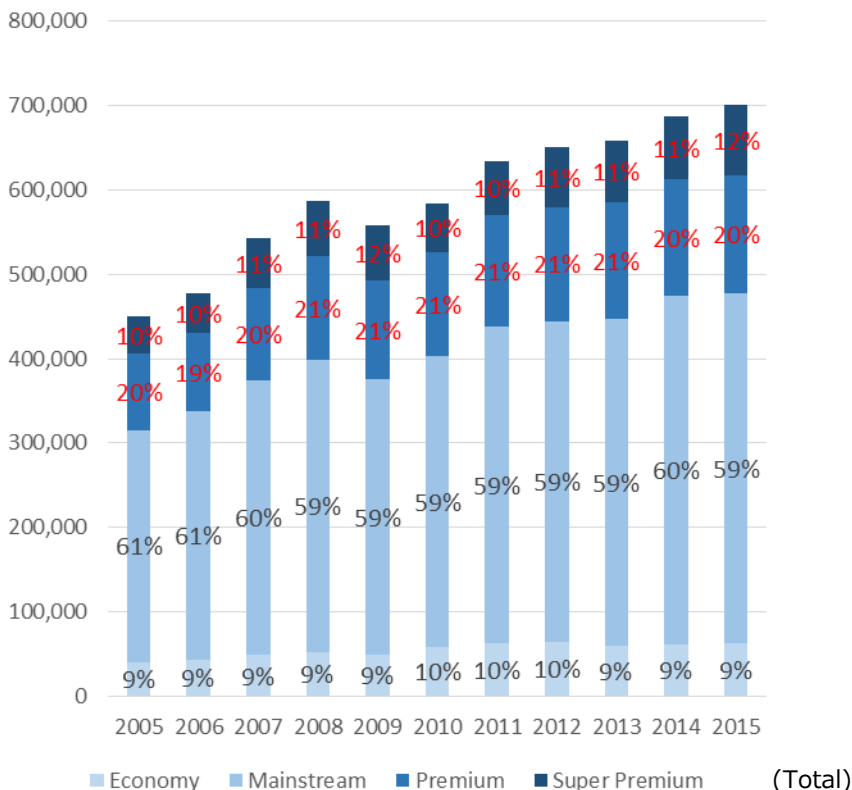
(Millions of cases)



FY10-15 CAGR: -1.0% (Economy), +1.5% (Mainstream), +2.7% (Premium), +6.2% (Super Premium), +1.6% (Total)

<Global market size and composition ratio trend>
(value)

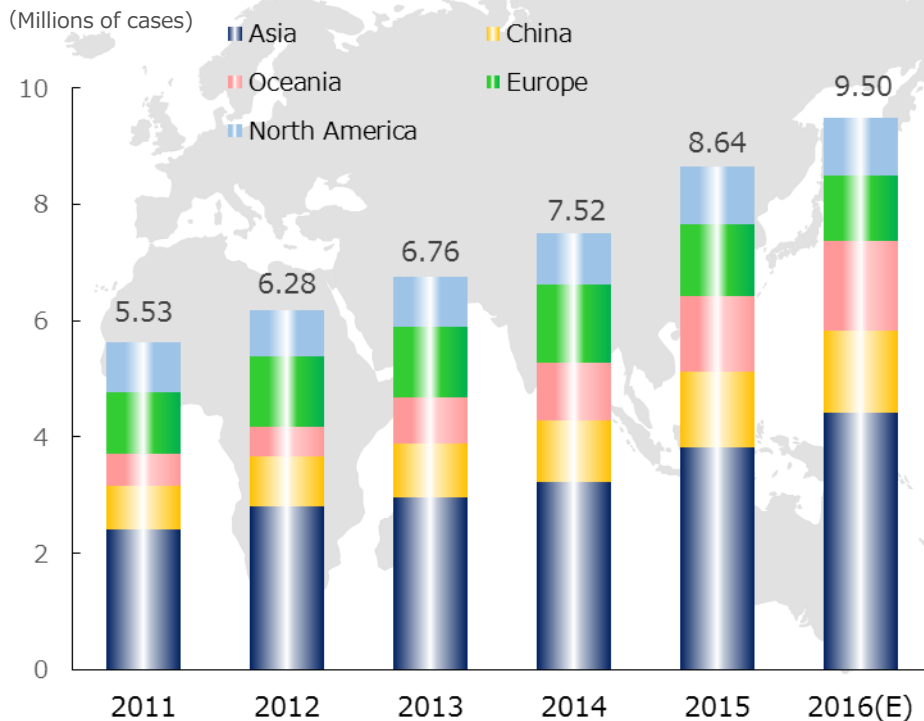
(USD million)



FY10-15 CAGR: -1.5% (Economy), +4.1% (Mainstream), +3.1% (Premium), +7.1% (Super Premium), +3.7% (Total)

Source : Canadian

<Asahi Brand Overseas Sales Performance>



<Award-Winning Record of Super Dry>



**The International Brewing Awards
2011 in UK
Champion Keg Lager**



**World Beer Cup 2014 in USA
International-Style Lager
Gold medal**



**Brussels Beer Challenge 2015 in
Belgium
Lager : International Style Pilsner
Gold medal**

⇒ Creation of global synergies based on the potential of Super Dry



その感動を、わかちあう。

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