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FOR IMMEDIATE RELEASE

Company name: Asahi Group Holdings, Ltd.
President and Representative Director, CEO: Akiyoshi Koji
Securities Code: 2502
Stock Listings: Tokyo Stock Exchange, First Section
Contact: Takayuki Tanaka
General Manager, Public Relations Section
Phone: +81-3-5608-5126

Announcement regarding acquisition of 100% of the shares of the Australian business of Anheuser-Busch InBev and shelf registration of newly issued stock

Asahi Group Holdings ("Asahi") is pleased to announce that it has been resolved by our Board today and agreed with Anheuser-Busch InBev ("AB InBev") to acquire 100% of the shares of AB InBev's Australian business (trading as Carlton & United Breweries or "CUB") ("Proposed Transaction"). We would also like to inform you of the decision of the shelf registration of newly issued stock that has been made today.

I. Rationale for the proposed transaction

Under our new group philosophy, "Asahi Group Philosophy" ("AGP"), introduced earlier this year Asahi articulated our vision of "Being a value creator globally and locally, growing with high value-added brands". In our renewed mid-term plan guided by the AGP, Asahi aims to drive sustainable group growth by promoting premiumization and creating cross-selling initiatives across our core premium brands.

The Proposed Transaction is aligned with this strategy by adding the leading Australian beer and cider business (including a range of highly attractive brands) to our existing Australian operations creating a stronger, global business platform with three core pillars in Japan, Europe and Australia.

CUB has a range of much-loved brands, such as "Carlton" and "Great Northern" which are leaders in Australia, as well as superior marketing and product development capabilities. CUB is highly profitable, leveraging its broad brand portfolio and operational excellence across Australia.

Australia is an attractive market enjoying sustainable economic growth. Asahi already participates in the Australian beer and cider categories (with global premium brands such as "Asahi Super Dry", "Peroni" and "Pilsner Urquell") and the non-alcoholic beverage category having undertaken several soft drinks acquisitions since 2009. Moreover, we expect to acquire the broad distribution network of CUB as well as benefitting from the advantage of greater scale in areas such as procurement by collaborating with Asahi's existing Australian business which is of comparable size to CUB. The acquisition also further enhances Asahi's management resources by bringing with it a wealth of talented global and local management.

The Proposed Transaction will increase the EBITDA of Asahi's Australian business to around JPY100bn, creating a third core pillar alongside the Japanese business with JPY200bn EBITDA and the European business with around JPY100bn of EBITDA. We aim to deliver sustained growth and enhanced corporate value in the medium to long-term by integrating the strengths of the brands and human resources that we have developed in each of our three core pillars.

II. Overview of the Transaction

Below is an overview of the principal terms of the Proposed Transaction between Asahi and AB InBev.

(1) Contract parties: Anheuser-Busch InBev (seller), Asahi Group Holdings or its 100% subsidiary (purchaser)

(2) Target shares and assets: All of the issued shares in CUB's beer and cider businesses and the companies engaged in other related businesses, intellectual property rights associated with all CUB beer and cider brands, including Carlton, Great Northern and other brands, perpetual license to sell AB InBev brands in Australia and manufacturing license of some of AB InBev's brands and other related assets.

(3) Purchase price: AUD 16.0 billion on a cash free and debt free enterprise value basis (c. JPY 1,210 billion[※1])

※1:Calculated at the rate of 75.6 AUD/JPY as of 18 July

(4) Condition Precedent to completion: Approval from the Australian Competition and Consumer Commission and Foreign Investment Review Board of Asahi as the purchaser of the Target Business.

III. Overview of the Target Business

The Target Business consists of 123 entities as of today.
Provided below is a brief description of one of the major entities comprising the Target Business.
In addition, we will disclose further information of the Target Business in an appropriate manner.

(1) Company name	CUB Pty Ltd
(2) Registered head office	Melbourne, Australia
(3) Representative	CEO: Peter Filipovic
(4) Business description	Manufacturing and sale of beer and cider
(5) Fiscal year-end	January
(6) Capital amount	AUD 988M (c. JPY 74.7B[※2]) (as of 18 July 2019)
(7) Established	8 May 1907
(8) Current ownership	AB InBev（100%）
(9) Number of employees	Approximately ~1,310 employees (March 31, 2019)
(10) Relationship between Asahi and the Company	There are no capital, personnel or trade relationships between the Company and Asahi.

※2: Calculated at the rate of 75.6 AUD/JPY as of 18 July 2019

IV. Key financials for CUB for the recent two fiscal years and 2019 forecast (in millions of AUD)[※3]

Fiscal period	Year ended Dec 2019	Year ended Dec 2018	Year ended Dec 2017
(1) Net assets		-	-
(2) Total assets		-	-
(3) Net sales	2,407	2,294	2,217
(4) Operating profit (EBIT)	1,034	990	1,023
(5) EBITDA	1,100	1,075	1,097

※3：Since CUB was acquired by the Seller AB InBev during the period of Year ended Dec 2016, we have stated the actuals for Year ended 2017 and 2018, and the forecast for the Year ended 2019.

V. Overview of the Seller

(1) Company name	AB InBev (Anheuser-Busch InBev SA/NV)
(2) Registered head office	Leuven, Belgium
(3) Representative	CEO: Carlos Brito
(4) Business description	Manufacturing and sale of beer
(5) Fiscal year-end	December
(6) Capital amount	71,904 M USD (c. JPY 7.75 T※4) (as of end of Dec 2019)
(7) Established	Holding company Anheuser-Busch InBev SA/NV was incorporated in 3 March 2016 (successor entity to former AB InBev, which was

	incorporated on 2 August 1977) (see Form 20-F as of Dec. 31, 2018)
(8) Current ownership	Publicly listed company (see Form 20-F as of Dec. 31, 2018)
(9) Number of employees	Approximately 175,000 (as of Dec. 31, 2018)
(10) Relationship between Asahi and AB InBev	There are no capital, personnel or trade relationships between the Company and Asahi.

※4 : Calculated at the rate of 107.84 USD/JPY as of 18 July

VI. Expected schedule of the Proposed Transaction

The schedule towards the completion of the acquisition is as follows.

(1)	Execution of the Sale and Purchase Agreement with AB InBev	Today
(2)	Completion of the Proposed Transaction post fulfilment of condition Precedents	First quarter of 2020 (scheduled)

VII. Financing plan

Although our interest bearing debt has been decreasing at a pace beyond our plan due to improvement of cash flow generation over our expectation, post completion of transaction, net debt / EBITDA would temporarily exceed 4x, and other financial metrics such as D/E ratio and equity ratio would deteriorate.
We would therefore consider raising JPY300 billion of equity credit attributes, as part of permanent financing of JPY1.2 trillion bridge loan for this transaction, in order to achieve early improvement of financial soundness, maintain current credit rating, and minimize refinance risk.
More specifically, we would combine issuance of common stock (including use of treasury share) up to JPY200 billion (the lead underwriter is expected to be Nomura Securities Co., Ltd.) and subordinated bond (assuming 50% equity credit attribute) in order to secure financial foundation while minimizing dilution for existing shareholders.
We plan to finance the remaining amount by debt, aiming to diversify funding methods and reduce total cost of capital and interest associated with permanent financing.
It should be noted that, in connection with the above financing plan, we have completed the shelf registration of common stock (up to JPY200 billion) today. The specific timing of financing shall be considered depending on the progress of the Proposed Transaction and we will announce once anything has been decided.

VIII. Impact on Asahi's financial performance

The completion of the Proposed Transaction is expected to take place in the first quarter of fiscal year ending December 2020. Accordingly, there will be no impact of the Proposed Transaction on Asahi's non-consolidated and consolidated financial performance for the fiscal year ending December 2019. In the event completion takes place during this year, Asahi will make a disclosure on the impact on Asahi's non-consolidated and consolidated financial results and the impact to the goodwill for the fiscal year ending December 31, 2019 once the details are finalised.

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