

FAX TRANSMISSION
No of pages (including this sheet) - 17

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Dear Sirs

ASIC Form 603 Notice of initial substantial holder

25 September 2009

Please find **attached** a copy of an ASIC Form 603 (Notice of initial substantial holder) from Kirin Holdings (Australia) Pty Ltd in relation to Lion Nathan Limited. The original form will be sent by Kirin Holdings (Australia) Pty Ltd to Lion Nathan Limited.

Our reference
CEDB PATK 02-2005 5192

Partner
Carl Della-Bosca
T 61 2 9258 6188

Yours faithfully

Contact
Peter Atkin
T 61 2 9258 6520

Blake Dawson

Please check that you have received this document in full. If not, please telephone the sender or call 61 2 9258 6000.

Confidentiality

This document is confidential and may contain legally privileged information. If you are not a named or authorised recipient you must not read, copy, distribute or act in reliance on it. If you have received this document in error, please telephone our operator immediately on 61 2 9258 6000 and return the document by mail.

Sydney Melbourne Brisbane Perth Canberra Adelaide Port Moresby Shanghai Singapore Associated Office Jakarta

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Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme	Lion Nathan Limited
ACN/ARSN	093 160 448
This notice is given by Kirin Holdings (Australia) Pty Ltd on behalf of itself, Kirin Holdings Company, Limited and each of the entities controlled by Kirin Holdings Company, Limited (Kirin Controlled Entities) including those entities named in the list of 3 pages annexed to this notice and marked "Annexure A"	
1. Details of substantial holder (1)	
Name	Kirin Holdings (Australia) Pty Ltd
ACN/ARSN (if applicable)	128 004 268

The holder became a substantial holder on 24 September 2009

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	246,454,275	246,454,275	48.13%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	Purchaser of securities pursuant to the Share Transfer Agreement of 10 pages dated 24 September 2009 a copy of which accompanies this notice and is marked "Annexure B".	246,454,275 fully paid ordinary shares
Kirin Holdings Company, Limited	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Kirin Holdings (Australia) Pty Ltd.	246,454,275 fully paid ordinary shares
Each of the Kirin Controlled Entities	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power (through the relevant interests of its associate, Kirin Holdings Company, Limited) above 20% in Kirin Holdings (Australia) Pty Ltd.	246,454,275 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	246,454,275 fully paid ordinary shares
Kirin Holdings Company, Limited	Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	246,454,275 fully paid ordinary shares
Each of the Kirin Controlled Entities	Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	246,454,275 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Kirin Holdings (Australia) Pty Ltd ACN 128 004 268	24 September 2009	Not applicable	3,696,814,125 fully paid ordinary shares in Kirin Holdings (Australia) Pty Ltd	246,454,275 fully paid ordinary shares
Kirin Holdings Company, Limited	24 September 2009	Not applicable	Not applicable	246,454,275 fully paid ordinary shares
Each of the Kirin Controlled Entities	24 September 2009	Not applicable	Not applicable	246,454,275 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Kirin Holdings Company, Limited	Holding company of Kirin Holdings (Australia) Pty Ltd
Each of the Kirin Controlled Entities	Bodies corporate controlled by Kirin Holdings Company, Limited

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7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Kirin Holdings (Australia) Pty Ltd, and its subsidiaries	C/- National Foods Limited, 737-743 Bourke Street, Docklands, Victoria 3008
Kirin Holdings Company, Limited and its subsidiaries	10-1, Shinkawa 2-chome, Chuo-ku, Tokyo 104-8288, Japan
Each of the Kirin Controlled Entities	C/ - Kirin Holdings Company, Limited, 10-1, Shinkawa 2-chome, Chuo-ku, Tokyo 104-8288, Japan

Signature

print name Carl Della-Bosca

capacity Lawyer for Kirin Holdings (Australia) Pty Ltd

sign here

Carl Della-Bosca

date 25/9/09

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

"ANNEXURE A"

This is the annexure of 3 pages marked "Annexure A" referred to
in the form 603

Kirin Brewery Company, Limited
Kirin Engineering Co., Ltd
Kirin Techno-System Corporation
Kirin Merchandising Co., Ltd
Kirin Logistics Co., Ltd
Ei Sho Gen Co., Ltd
Kirin Distillery Co., Ltd
Kirin City Co., Ltd
Kirin & Communications Co., Ltd
Merclan Corporation
Kirin Australia Pty Ltd
Taiwan Kirin Co., Ltd
Kirin (China) Investment Co., Ltd
Kirin Brewery (Zhuhai) Co., Ltd
Kirin Brewery of America, LLC
Four Roses Distillery LLC
Kirin Europe GmbH
San Miguel Brewery, Inc.
Dalian Daxue Brewery Co., Ltd.
Heineken Japan Co. Ltd
Hangzhou Qiandaohu Brewery Company, Ltd.
Kirin Beverage Co., Ltd
Hokkaido Kirin Beverage Co., Ltd.
Tokyo Kirin Beverage Service Co., Ltd.
Kansai Kirin Beverage Service Co., Ltd.
Vivax Co., Ltd.
Kirin MC Danone Waters Co., Ltd.
Shanghai Jin Hang Kirin Beverage & Food Co., Ltd.
Kirin Beverage (Shanghai) Ltd.

Siam Kirin Beverage Co., Ltd.
Coca-Cola Bottling Company of Northern New England, Inc.
Nagano Tomato Co., Ltd.
Koiwai Dairy Products Co., Ltd.
National Foods Limited
Berri Ltd.
Dairy Farmers Limited
Kirin Food-Tech Company, Limited
Indústria Agrícola Tozan Ltda
Kirin Tropicana, Inc.
Cosmo Foods Co., Ltd.
PT Kirin-Miwon Foods
Kyowa Hakko Kirin Co., Ltd.
BioWa, Inc.
Kyowa Hakko Kirin Pharma, Inc.
Kyowa Hakko Kirin California, Inc.
Jeil-Kirin Pharm. Inc.
Kyowa Hakko Kirin (Hong Kong) Co., Ltd.
Kirin Kunpeng (China) Bio-Pharmaceutical Co., Ltd.
Kirin-Amgen, Inc.
Kyowa Hakko Bio Co., Ltd
Kyowa Hakko Chemical Co., Ltd.
Kirin Agribio Co., Ltd.
Japan Potato, Corp.
Kirin Agribio ECB.V.
Kirin Agribio Shanghai Co., Ltd.
Kirin Real Estate Co., Ltd.
Kamakura Kaihin Hotel Co., Ltd.
Tsurumi Warehouse Co., Ltd.
Kirin Echo Co., Ltd.
Yokohama Akarenga Inc.
Kirin Business System Co., Ltd.

Kirin Business Expert Co., Ltd.

Tokita Seed Co., Ltd.

Verde Co., Ltd.

Qingdao International Seeds Co., Ltd.

Print name Carl Della-Bosca

Capacity Lawyer for Kirin Holdings (Australia) Pty Ltd

Sign here *Carl Della-Bosca*

Date 25/9/09

"ANNEXURE B"

This is the annexure of 11 pages marked "Annexure B" referred to
in the form 603

**Print
name** Carl Della-Bosca

Capacity Lawyer for Kirin Holdings (Australia) Pty Ltd

Sign here *Carl Della-Bosca*

Date 25/9/09

Share Sale Agreement

Kirin Holdings Company, Limited

Kirin Holdings (Australia) Pty Ltd
ACN 128 004 268

Blake Dawson

Level 38, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia
T 61 2 9258 6000
F 61 2 9258 6899

Reference
CE08 PATK 02 2005 4192
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Share Sale Agreement

DATE 24 September 2009

PARTIES

Kirin Holdings Company, Limited
of 10-1, Shinkawa 2-Chome, Chuo-Ku, Tokyo, Japan 104-8288 (Seller)

Kirin Holdings (Australia) Pty Ltd
ACN 128 004 268, of C/- National Foods Limited, 737-743 Bourke Street, Docklands,
Victoria, 3008 (Buyer)

RECITALS

- A. The Seller is the registered holder and beneficial owner of the Sale Shares.
- B. The Seller and the Buyer enter this agreement for the sale of the Sale Shares.
- C. The Buyer is a wholly-owned subsidiary of the Seller. In these circumstances, the Buyer and the Seller have not determined as arm's length parties the number of shares that will be issued to the Seller in connection with the transfer of the LN shares to the Buyer.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales.

Company means Lion Nathan Limited ACN 093 160 448.

Completion means completion of the sale and purchase of the Sale Shares under clause 4.

Completion Date means 24 September 2009.

Consideration Shares means 3,696,814,125 fully paid ordinary shares in the capital of the Buyer.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation or title retention arrangement;
- (b) a right of setoff or right to withhold payment of a deposit or other money;
- (c) a notice under section 255 of the *Income Tax Assessment Act 1936*, subdivision 260-A in schedule 1 to the *Taxation Administration Act 1953* or any similar legislation;

- (d) any third party interest (for example, a trust or an equity);
- (e) a right of a person to acquire a share or to restrain someone from acquiring a share (including under an option, a right of preemption or a right of first refusal, such as one in a shareholders agreement or in a constitution); or
- (f) an agreement to create any of them or to allow any of them to exist.

Sale Shares means 246,454,275 fully paid ordinary shares in the capital of the Company.

Scheme means the proposed scheme of arrangement between the Company and its shareholders under which the Buyer will acquire all of the shares in the Company that the Seller does not currently own, being approximately 53.87% of the total issued share capital of the Company.

Scheme Meeting means the meeting of the Company's shareholders (excluding the Seller and any of its associates) scheduled to take place on 17 September 2009 to consider whether to approve the Scheme.

1.2 Rules for interpreting this document

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(this document)** A reference to this document includes the agreement recorded by this document.

1.3 Business Days

If the day on or by which a person must do something under this document is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

2. AGREEMENT TO SELL AND BUY THE SALE SHARES

The Seller agrees as legal and beneficial owner to sell the Sale Shares with all attached or accrued rights at Completion to the Buyer free from any Encumbrance and the Buyer agrees to buy the Sale Shares with those rights from the Seller in consideration for the issue and allotment of the Consideration Shares to the Seller on the terms, and subject to the conditions, of this document.

3. CONDITION PRECEDENT

The parties agree that it is a condition precedent to Completion that the Scheme is approved by the Company's shareholders (excluding the Seller and any of its associates) at the Scheme Meeting.

4. COMPLETION

4.1 Time and place for Completion

Completion must take place at 10.00am (Sydney time) on the Completion Date at the offices of the Buyer.

4.2 What the Seller must do at Completion

At Completion the Seller must give the Buyer absolute ownership of all the Sale Shares and title to all the Sale Shares free from any Encumbrance.

4.3 What documents the Seller must give to the Buyer at Completion

As well as doing anything else this document requires the Seller to do at Completion, the Seller at Completion must give the Buyer:

- (a) a share transfer form for the Sale Shares naming as transferee the Buyer which has been duly executed by the Seller (as holder of the Sale Shares) and is in registrable form; and
- (b) any other document which the Buyer requires to obtain good title to the Sale Shares and to get the Sale Shares registered in the name of the Buyer.

4.4 What the Buyer must do at Completion

At Completion the Buyer must:

- (a) issue and allot the Consideration Shares to the Seller in consideration for the transfer of the Sale Shares from the Seller to the Buyer; and

- (b) accept all the documents and items which the Seller gives the Buyer under clause 4.3 after signing any of those documents which require signing by the Buyer.

4.5 Title, property and risk of the Sale Shares and attached rights and benefits

Until Completion, the title to, property in and risk of the Sale Shares remain solely with the Seller, but they pass to the Buyer on and from Completion.

5. WARRANTIES OF THE SELLER

The Seller represents and warrants that each of the following statements is true, complete and accurate in all respects and is not in any way misleading or deceptive, or likely to mislead or deceive, both at the date of this document and at Completion:

- (a) The Seller is the sole registered holder and beneficial owner of each Sale Share.
- (b) The Seller has full legal capacity, power and authority to enter into this document and to transfer full legal and beneficial ownership of the Sale Shares to the Buyer on Completion.
- (c) The Seller has good and marketable title to the Sale Shares free from any Encumbrance.
- (d) The Seller has not disposed of, agreed to dispose of, or granted any option to purchase, any Sale Share or any interest in any Sale Share, and no person has made any claim to be entitled to an Encumbrance affecting any Sale Share.
- (e) All documents needed to establish the title of the Seller to the Sale Shares are in the possession of or under the control of the Seller.
- (f) This document constitutes legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditors' rights generally), subject to any necessary stamping or registration.
- (g) There is no circumstance which could make this document or any transaction contemplated by it void, voidable or unenforceable under any applicable law about insolvency.

6. COSTS AND STAMP DUTY

6.1 Costs generally

Subject to clause 6.2, the Seller must pay each party's expenses incurred in negotiating, preparing, executing, completing and carrying into effect this document.

6.2 Stamp duty generally

The Buyer is solely responsible for, and must indemnify the Seller against, any duty that is payable on or in relation to:

- (a) this document;
- (b) the sale, purchase, assignment or transfer of any property under this document;
and

- (c) any transaction recorded by this document or any instrument signed pursuant to this document.

7. NOTICES

7.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) **(written)** in writing, signed by or on behalf of the person giving it;
- (b) **(addressed)** addressed to the person to whom it is to be given; and
- (c) **(sent)** either/given as follows:
- (i) **(mail)** delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
- (ii) **(fax)** sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

7.2 When a notice is given

A notice, consent or other communication that complies with this clause 7 is regarded as given and received:

- (a) **(fax or email delivery)** if it is delivered or sent by fax:
- (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
- (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and
- (b) **(mail delivery)** if it is sent by mail:
- (i) within Australia - 3 Business Days after posting; or
- (ii) to or from a place outside Australia - 7 Business Days after posting.

7.3 Address for notices

A person's address and fax number are those set out below, or as the person notifies the sender:

Seller

Address: 10-1, Shinkawa 2-chome, Chuo-Ku, Tokyo, Japan 104-8288
 Fax number: +81 3 5540 3587
 Attention: Shinro Fujita

Buyer

Address: C/- National Foods Limited, 737-743 Bourke Street, Docklands, Victoria, 3008
 Fax number: +61 3 9188 6519
 Attention: Masaki Harada

8. AMENDMENT AND ASSIGNMENT

8.1 Amendment

This document can only be amended, supplemented, replaced or novated by another document executed by the parties.

8.2 Assignment

A party may only assign, encumber, declare a trust over or otherwise create an interest in its rights under this document with the consent of each other party.

9. GENERAL

9.1 Governing law

(a) (law) This document is governed by the law in force in New South Wales.

(b) (jurisdiction) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

9.2 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

9.3 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

(a) (conduct) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;

(b) (one occasion) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and

(c) (further exercise) the exercise of a right does not prevent any further exercise of that right or of any other right.

9.4 Counterparts

This document may be executed in counterparts.

9.5 Attorneys

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED as an agreement.

EXECUTED by KIRIN HOLDINGS
(AUSTRALIA) PTY LTD ACN 128 004 268

Masaki Harada
Signature of director

Masaki Harada
Name

Philip Thomas
Signature of director/secretary

PHILIP THOMAS
Name

SIGNED on behalf of KIRIN HOLDINGS
COMPANY, LIMITED, a corporation
incorporated in Japan, by

_____ (a person
who, in accordance with the laws of that
place is authorised to sign this document
for that corporation) in the presence of:

Signature of witness

Name of witness

Signature of authorised signatory

Name of authorised signatory

EXECUTED as an agreement.

EXECUTED by KIRIN HOLDINGS
(AUSTRALIA) PTY LTD ACN 128 004 268

Signature of director

Signature of director/secretary

Name

Name

SIGNED on behalf of KIRIN HOLDINGS
COMPANY, LIMITED, a corporation
incorporated in Japan, by
Senji Miyake (a person
who, in accordance with the laws of that
place is authorised to sign this document
for that corporation) in the presence of:

福島 健

Signature of witness

Senji Miyake
Signature of authorised signatory

Takeshi Fukushima

Name of witness

SENJI MIYAKE
Name of authorised signatory