



ASX/ NZX/ Media Release

Lion Nathan Releases Scheme Booklet

Sydney, 6 August 2009: Lion Nathan Limited ("Lion Nathan") today released the Scheme Booklet (the "Booklet") in relation to Kirin Holdings Company, Limited's ("Kirin") proposed acquisition of the remaining shares in Lion Nathan that it does not already own by way of a Scheme of Arrangement ("Scheme").

The Booklet contains a report from the Independent Expert, Lonergan Edwards & Associates Limited, which has concluded that the Scheme is fair and reasonable and in the best interests of non-Kirin shareholders.

Lion Nathan Chairman, Geoff Ricketts said: "Kirin's proposal is compelling and at a significant premium to Lion Nathan's historical trading prices. The Independent Expert has confirmed that the offer is fair and reasonable and the Independent Directors unanimously recommend that Lion Nathan's shareholders vote in favour of the Scheme, in the absence of a superior proposal."

The Scheme Meeting is scheduled to be held at 10.00am 17 September 2009.

Key details of the Scheme are summarised below.

The Offer

If the Scheme is approved and implemented, non-Kirin shareholders will receive Cash Payments equal to \$12.00 per share¹, comprising:

- Scheme Consideration of \$11.50 per share; and
- A Special Dividend of \$0.50 per share which will be fully franked with Australian franking credits and partly imputed utilising available New Zealand imputation credits. The Lion Nathan Board have formally determined to pay the Special Dividend, subject to approval of the Scheme by the requisite majorities of non-Kirin shareholders at the Scheme Meeting.

The Cash Payments of \$12.00 per share represent a substantial premium to Lion Nathan's adjusted² historical trading prices:

- 48.3% to the ASX adjusted² last closing price on 22 April 2009; and
- 54.4% to the adjusted² one month ASX volume weighted average price ("VWAP") on 22 April 2009.

The Cash Payments also compare favourably to Australian and international historical precedent transactions³.

¹ Lion Nathan paid an interim dividend of \$0.22 per Share on 23 June 2009 ("Interim Dividend"), which had the effect of adjusting the offer consideration from \$12.22 (which included the Interim Dividend) to \$12.00 per Share.

² The ASX cum-dividend share prices and volume weighted average prices (VWAP) have been adjusted for Lion Nathan's Interim Dividend of \$0.22 per share by deducting the \$0.22 per share from each of the reference prices calculated on 22 April 2009 (the day prior to Lion Nathan's announcement of the receipt of Kirin's proposal).

³ As considered by the Independent Expert, Lonergan Edwards, in the Independent Expert's Report as contained in the Booklet.

Independent Expert's Conclusion

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Lion Nathan's non-Kirin shareholders. In reaching this conclusion, the Independent Expert has valued 100% of the shares in Lion Nathan on a controlling interest basis at between \$10.95 and \$12.21 per share. The Cash Payments of \$12.00 per share are above the mid-point of the Independent Expert's assessed value range of \$11.58 per share.

Independent Directors' Recommendation

The Independent Directors unanimously recommend that you vote in favour of the Scheme and the Independent Directors who hold Lion Nathan shares intend to vote the shares they own and control in favour of the Scheme, in each case in the absence of a superior proposal.

Intentions for Kirin's Combined Australasian Interests

The Booklet sets out Kirin's intentions if the Scheme is implemented.

The overall objective of Kirin is to combine all of its Australasian operations (other than barley and malt manufacturer Kirin Australia Pty Ltd) into a single unified business structure, expected to be renamed Lion Nathan National Foods Pty Ltd ("LNNF"). This will be initiated by a general review of Kirin's Australasian operations with a view to establishing a platform for growth in Australasia. Final decisions on operations, assets and employment will only be reached upon conclusion of that review.

Subject to the review and following implementation of the Scheme, Kirin has indicated that:

- Lion Nathan's existing senior management team will become the senior management team for Kirin's Australasian operations with Rob Murray as Chief Executive Officer ("CEO");
- The Managing Director of National Foods will be a member of the LNNF senior management team and report to the CEO;
- LNNF's Board will comprise one executive director and two non-executive directors who are executives of Kirin, three independent non-executive directors who are not executives of Kirin and the CEO as an executive director;
- Kirin has no current intention to make major changes to, or dispose of any parts of, the Lion Nathan business, although there may be some redeployment and limited redundancies in areas where there is resource overlap;
- Kirin believes that the combination of Lion Nathan and its existing Australasian businesses has the potential to create exciting employment opportunities for the combined group's people.

Lion Nathan Chairman Geoff Ricketts said: "The combination of Kirin's businesses in this region would create a compelling Australasian beverages and dairy business. Kirin believes in investing in its people and brands and managing quality businesses for the long term. Should shareholders approve the transaction, there are very exciting times ahead for the people of both Lion Nathan and National Foods".

Scheme Information

The Booklet has been registered with ASIC and filed with ASX and NZX. The Federal Court of Australia has made orders approving the distribution of the Booklet to Lion Nathan shareholders and to convene a meeting of shareholders to consider the Scheme.

The Booklet is expected to be despatched to shareholders on 18 August 2009. Lion Nathan shareholders are advised to read the Booklet thoroughly before deciding whether or not to vote in favour of the Scheme. As detailed in the Booklet, the Scheme is conditional on regulatory, shareholder and Court approvals.

Key dates are expected to be as follows:

Scheme Booklet and notice of meeting despatched to shareholders	Tuesday, 18 August 2009
Scheme Meeting	Thursday, 17 September 2009
Record date for determining entitlement to the Special Dividend	Friday, 25 September 2009
Payment of the Special Dividend	Tuesday, 6 October 2009
Court hearing to consider the Scheme	Wednesday, 7 October 2009
Scheme record date	Wednesday, 14 October 2009
Implementation date	Wednesday, 21 October 2009

The Booklet and all other announcements relating to the Scheme are available on Lion Nathan's website www.lion-nathan.com.au. A Lion Nathan shareholder information line is available on 1800 211 826 (within Australia), 0800 630 109 (within New Zealand) or +61 2 8986 9354 (outside Australia and New Zealand) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

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