

CARLSBERG A/S ("CARLSBERG") AND HEINEKEN N.V. ("HEINEKEN") – SHAREHOLDERS MUST ACT TO SECURE ENHANCED 780 PENCE OFFER – CONSORTIUM WILL NOT GO HOSTILE – FURTHER DISCLOSURE ON BBH

Carlsberg and Heineken (the "Consortium") announce that on Wednesday, 9 January 2008 the Consortium made a materially improved proposal to the Board of Scottish & Newcastle plc ("S&N") (the "Further Increased Proposal"). The approach represented a decisive attempt by the Consortium to engage in substantive discussions with S&N leading to the announcement of a recommended transaction prior to the Takeover Panel deadline of Monday, 21 January 2008 and to address concerns voiced by S&N and some of its shareholders. The key points of the proposal were:

- a material increase in the Consortium's proposed cash offer to 780 pence per share; representing an increase of 30 pence (£293 million) and an implied equity value of £7.6 billion and enterprise value of £10.0 billion;
- the majority of the increase is being funded by Carlsberg and hence the Further Increased Proposal implies a very full price for BBH. The implied enterprise value for 50 per cent of BBH of £4.2 billion represents a multiple of 16.6x 2007 EBITDA (the EV/EBITDA multiple for 2006 is 21.1x);
- proposals by Carlsberg to provide the market with additional disclosure on the financial position of BBH for 2008 - 2010;
- a significantly reduced scope of due diligence;
- confirmation that committed financing is in place for the Further Increased Proposal; and
- a statement that the Consortium is only prepared to proceed with an offer on a recommended basis*.

Despite the Consortium addressing all of the concerns expressed by S&N regarding its previous proposals, the Board of S&N has again rejected this increased proposal and declined to meet the Consortium.

Given the increased offer price, the Consortium has confirmed that it is not prepared to proceed with an offer without the recommendation of the Board of S&N*. The Consortium also believes that the requirement for a recommended offer will prevent a prolonged period of further uncertainty for all shareholders.

Without a recommendation there will be no offer by the Consortium and the proposal will lapse*.

S&N shareholders are therefore urged to call immediately on the S&N Board to enter into substantive dialogue with the Consortium to ensure a recommended offer can be announced prior to the 21 January 2008 deadline imposed by the Takeover Panel.

The continued refusal to engage by the S&N Board jeopardises significant value creation for S&N shareholders:

- the Consortium's proposal is certain and in cash;
- the financing of the Further Increased Proposal is not conditional on any due diligence;
- the share price on 28 March 2007, the date immediately before speculation first arose around a possible offer for S&N, was 531 pence; and
- S&N has not demonstrated any deliverable alternative that comes close to creating the same value as the Consortium bid.

Commenting, Jean-François van Boxmeer, Chairman of the Executive Board and CEO of Heineken said:

*"It is decision time for S&N shareholders. Without the S&N Board's co-operation there will no offer by the Consortium *. Our increased 780p proposal is the only deliverable opportunity today for shareholders to realise a material premium to the independent value of S&N."*

Jørgen Buhl Rasmussen, President and CEO of Carlsberg said:

"The Consortium's increased proposal represents a very generous proposition to S&N shareholders by any measure. Carlsberg has listened to shareholders and offered its co-operation with regards to further disclosure on BBH's prospects and the Consortium's proposal now implies a £4.2 bn value on S&N's 50% share of BBH. It's now over to S&N shareholders to make their views clear to the S&N Board if they want this transaction to happen."

Details of the Further Increased Proposal

The proposed price of 780p per share represents:

- a premium of 46.9% to the share price of 531 pence on 28 March 2007 (the date immediately before speculation first arose around a possible offer for S&N);
- a multiple of 14.0x S&N's EV/EBITDA for the year ending 31 December 2006;
- an implied enterprise value of 50 per cent. of BBH of £4.2 billion, representing a multiple of 16.6x 2007 EBITDA (the EV/EBITDA multiple for 2006 is 21.1x); and
- a value which is significantly in excess of the standalone value of S&N.

It is intended that £244 million (25 pence per share) of the proposed increase would be funded by Carlsberg and £49 million (5 pence per share) by Heineken.

The Further Increased Proposal continues to offer a high degree of certainty for S&N shareholders, with:

- committed financing in place (due diligence is not a condition to the banking facilities);
- a transaction structure that avoids any substantive anti-trust issues;
- the support of Carlsberg's and Heineken's controlling shareholders; and
- limited pre-conditions.

The Further Increased Proposal remains subject to the following customary pre-conditions:

- completion of limited confirmatory due diligence;
- the recommendation of the S&N Board*;
- the receipt of binding irrevocable undertakings in a form acceptable to the Consortium to accept the offer from the directors of S&N;

- assurance from the trustees of S&N's UK pension schemes regarding the level of contributions that Heineken would be expected to make going forwards; and
- final approval by the Boards of Carlsberg and Heineken.

Save for the recommendation of the S&N Board (which is a non-waivable pre-condition), the above customary pre-conditions are waivable at the discretion of the Consortium.

The Consortium, however, reserves the right to proceed without a recommendation if an offer or possible offer for S&N is announced by a third party.

This announcement does not constitute an announcement of a firm intention to make an offer under Rule 2.5 of the Code. There can be no certainty that any offer will be made even if the pre-conditions to the Further Increased Proposal are satisfied or waived.

Carlsberg prepared to co-operate with S&N on increasing transparency on BBH

Carlsberg has confirmed to S&N that it is willing to co-operate with regard to providing the market with further financial disclosure on the current trading and prospects of BBH. Subject to the agreement of the Board of BBH, Carlsberg would be willing to offer its co-operation with further disclosure on BBH via either of the following alternatives:

- publication of a profit estimate for 2007 and forecast for 2008 for BBH, prepared and reported on to the appropriate standards for a UK public offer; or
- release of a mutually agreed current trading and outlook statement for 2008 - 2010.

The Board of S&N has not indicated any willingness to explore either of these proposals, despite portraying as recently as 8 January 2008 its desire for additional disclosure in respect of BBH.

S&N Shareholder action required now

Without a recommendation there will be no offer by the Consortium, the Consortium will walk away and the proposal will lapse*. It is therefore essential for S&N shareholders to act now to call on the Board of S&N to engage with the Consortium or risk losing significant value.

* The Consortium reserves the right to proceed without a recommendation if an offer or possible offer for S&N is announced by a third party.

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Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Takeover Code (the "Code"), if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of S&N plc, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of S&N plc, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of S&N plc by Carlsberg or Heineken or S&N, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

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Carlsberg is one of the leading brewing groups in the world, with a large portfolio of beer and soft drinks brands. Its flagship brand – Carlsberg – is one of the fastest-growing and best-known beer

brands in the world. More than 30,000 people work for Carlsberg at 92 local production sites in 48 countries, and its products are sold in more than 150 markets. In 2006 Carlsberg sold more than 100 million hectolitres of beer, which is about 83 million bottles of beer a day. Find out more at www.carlsberggroup.com.