

BB&R Ltd

The Edrington Group

Press Release

Britain's leading fine wines and spirits merchant, Berry Bros. & Rudd (BB&R), today 3rd February 2010 announced that it has finalised an agreement under which it will sell the Cutty Sark blended Scotch whisky brand to The Edrington Group, makers of The Famous Grouse and The Macallan.

Under the deal, BB&R will acquire The Glenrothes single malt brand from Edrington, which has signed long-term supply agreements to provide whisky fillings and stocks to BB&R. Edrington will retain ownership of The Glenrothes distillery.

The transaction will also involve Edrington acquiring all distribution contracts on Cutty Sark in force at the time of completion. The Edrington sales-and-distribution alliance (Maxxium) will continue to distribute The Glenrothes in key international markets and is also expected to provide a distribution option for other brands within BB&R's super-premium spirits portfolio.

The agreement is due to be concluded by 1st April 2010. The total consideration has not been revealed.

Hugh Sturges, managing director, BB&R, said the sale of the Cutty Sark brand and purchase of The Glenrothes was in line with the company's long term vision of concentrating investment resources behind developing a world leading position as a supplier of fine wines and super-premium spirits. "The strategy that supports this vision is already reaping dividends, particularly within emerging markets" said Mr. Sturges. "We are convinced that future growth will come from us focusing even more on our strengths. That means targeting our sales and marketing efforts on those brands and sectors where we can compete most effectively and develop market positions that will drive real value long term. We therefore believe this agreement is in the best interests of the brands concerned and both companies."

Ian Curle, chief executive of Edrington, said the deal would enhance the group's position as Scotland's leading international premium spirits company and strengthen its position in the Scotch whisky category with an unrivalled and well-established portfolio of leading blended and single malt brands.

"In an ever-consolidating drinks industry, this agreement offers significant operational synergies and market advantages. It improves our distribution in key territories and strengthens our position as an independent premium brand company," said Mr. Curle.

Edrington has enjoyed a long-term partnership with BB&R under which it has supplied blended whisky for the Cutty Sark brand for over 70 years and is currently responsible for all aspects of producing Cutty Sark. Today, Cutty Sark is a top three whisky brand in Mediterranean countries such as Greece, Spain and Portugal, where it is popular in the fast-moving on-trade. The brand continues to have a strong presence in America and is

increasing its footprint in Asia and developing markets.

In Spain, Cutty Sark's largest market, the distribution agreement with Importaciones Varma will come to an end prior to the completion of the sale of Cutty Sark. The brand will then be handled by Maxxium Espana, a 50/50 joint venture between Edrington and Beam Global Spirits & Wine. In Greece, the distribution of Cutty Sark will remain with WS Karoulias, which will continue as a wholly-owned subsidiary of BB&R.

BB&R said the acquisition of The Glenrothes reflected its ambition to grow its super-premium business as the brand was one of the world's fastest growing single malts.

The long standing relationship between BB&R and Edrington will continue under the new arrangement. Both companies will continue to work hand-in-hand on projects of mutual interest that aim to maximise shareholder value and support the long-term development of their brands.

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