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Media Release

Integration Plans for Hardys and Hansons Announced

Greene King has today announced the results of a review of Hardys and Hansons following the completion of its acquisition on 5th September 2006. The intensive review followed the due diligence process that had already been conducted as part of the acquisition process and has enabled Greene King to set out its integration plans for Hardys and Hansons.

Says Rooney Anand, chief executive of Greene King,

“The review has given us a very detailed understanding of the company and has underlined the quality of the business we’ve acquired. It gives us the information we need to bring our operations together in the best possible way, ensuring the future success of Hardys and Hansons as part of Greene King.

“They have professional managers and tenants and a high quality estate of pubs which will be integrated into Greene King’s managed and tenanted pub divisions. They will benefit from the shared experience, expertise of, and enhanced support from, a larger group whilst maintaining their individual characters and ability to service their local communities.

“We’re pleased to announce that cellar service and distribution will continue at Kimberley, playing a crucial role in Greene King’s development in the midlands and north. It’s also good to be able to welcome the pub operators and free trade sales teams into our business and we look forward to working with them to build our company’s reputation in the area.

“We concluded with regret that it doesn’t make economic sense to continue brewing at Kimberley and sadly this means that the brewery will close at the end of the year. Greene King invests more in cask beer than any other brewer but, to remain viable, returns have to be delivered on this investment. The best way to ensure that Hardys and Hansons’ brands continue to flourish in a challenging ale market is to transfer brewing to Bury St Edmunds. The head office functions will also be moved there by the end of December. This decision in no way reflects on the dedication and commitment of the Hardys and Hansons employees, which has been underlined by their professionalism since the acquisition announcement.

“Beer matching will begin shortly and we’ll soon be beginning the painstaking process of brewing trials and taste-profiling. We’ll ensure that customers can continue to drink the same great beer in the future. We have a track record in making a success of the brands we acquire and look forward to offering Dark Mild, Cool and Olde Trip to a much wider audience.

“Around 80 of the company’s 2,200 jobs are at risk of redundancy and we are committed to minimising the final number and offering the best possible support to those affected. We have had to make some tough decisions but are as convinced as ever that Hardys and Hansons, Greene King, our licensees and our customers will really benefit from combining the two businesses.

“As we said at the time of the deal, our companies make for an ideal match historically, culturally and structurally. Like Greene King, Hardys and Hansons built its trade on running great pubs and selling top quality beer. By joining together, Hardys and Hansons can not only offer a fabulous service to current customers and communities, but can also extend their passion for good food and great beer further across the country, reaching a wider audience of pub-goers and beer-lovers.”

Says Jonathan Webster, managing director of Hardys and Hansons,

“Whilst it will be sad to close the brewery, we are pleased that the value of our activities in distribution, cellar services and sales - as well as throughout our extensive pub operations - has been recognised. It’s encouraging that our teams will play an important part in the long term development of the business.”

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