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Red Stripe to undergo organizational review

(June 4, 2010: Kingston, Jamaica) The Red Stripe Company today announced that it is to undergo an organizational review of its brewery operations at the end of June.

The company, which has over the past year implemented cost reduction strategies in all areas, is further reviewing its operating structure to compete effectively in today's business environment.

Managing Director, Al Barnes said, "When we look at the general economic and competitive environment for the coming year and beyond, all indications are that it will continue to be extremely challenging. We have to examine our business model now to stop the performance decline and adjust to deliver long term business sustainability."

"The Tax inequities against beer that were introduced last year have put us in a significantly non-competitive position vis-à-vis other alcohol categories, particularly as beer is a highly elastic category. Red Stripe Light now pays 1000% more tax than an average tonic wine; this inequity has severely impacted us"he added.

This review will be completed in two weeks with all impacted employees receiving redundancy packages including outplacement support which covers career, financial and psychological counseling, as well as overall support in dealing with the loss of employment during these difficult times. Red Stripe will also assist in vocational training for affected employees who are desirous of developing a new skill.

The Chairman of the Board of Directors for Red Stripe, Richard Byles said: "Any redundancy decision is always regrettable, but I am committed to leading a business that can survive tough times by doing what is right to maintain the long term viability of the company for all the employees and stakeholders and that means downsizing our operation to reflect today's business imperatives."