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FRASER AND NEAVE, LIMITED

Company Registration No. 189800001R
Incorporated in the Republic of Singapore

F&N shareholders to vote on APB sale and capital reduction on September 28

- Proposed disposal of interests in APB and APIPL for total aggregate consideration of $5.6 billion
- Proposed cash distribution of approximately $4.0 billion to shareholders through capital reduction of one for every three F&N shares
- Improved balance sheet allows F&N to maintain flexibility to take advantage of opportunities in Food & Beverage and Properties businesses

Singapore, September 6, 2012 - Fraser and Neave, Limited ("**F&N**" or "**the Group**") has scheduled its Extraordinary General Meeting ("**EGM**") on September 28, 2012 for its shareholders to vote on its proposed disposal of its interests in Asia Pacific Breweries Limited ("**APB**") and Asia Pacific Investment Pte Ltd ("**APIPL**"), and proposed cash distribution of approximately $4.0 billion to shareholders by way of capital reduction.

On August 18, 2012, the Board of F&N had accepted an improved offer and signed conditional sale and purchase agreements with Heineken International B V ("**Heineken**"), a wholly-owned subsidiary of Heineken N V, to acquire its entire 39.7% interest in APB and other assets in APIPL for a total aggregate consideration of $5.6 billion. APIPL is the 50:50 joint venture company through which F&N and Heineken hold their interests in APB.

Should shareholders approve this sale to Heineken, they would be asked to vote on the proposed cash distribution of $4.0 billion, representing approximately 84%

of F&N's gain on disposal. This will be distributed by way of a capital reduction of one for every three F&N shares, at $8.50 per cancelled share. This means that a shareholder who holds 1,000 shares as at the record date for the capital distribution will receive $2,805, while maintaining approximately the same proportionate shareholding in F&N after the capital reduction is effected.

The resolution on the proposed disposal of F&N's stakes in APB and APIPL to Heineken requires approval by a simple majority of shares present and voting at the EGM while the proposed capital reduction requires the votes of 75% of shares present and voting at the EGM.

Mr Lee Hsien Yang, Chairman of F&N said, "Heineken's improved offer represents the best opportunity for the Group to immediately realise the value of our interests in APB and APIPL and maximises overall returns for F&N shareholders."

"The proposed distribution of the proceeds by way of capital reduction is a win-win as it achieves a more efficient capital structure post disposal while allowing us to distribute substantially the gain on disposal to F&N shareholders. The remainder of the proceeds will be used to repay part of the existing debt, giving us flexibility to take advantage of business opportunities in the Food & Beverage and Properties businesses, in the region."

"We will continue to leverage our infrastructure, network and core competencies to achieve our vision to be an Asian-based world-class MNC, to deliver superior return to our shareholders," he added.

In its circular issued to shareholders today, F&N stated that Heineken's offer presents the best opportunity to immediately realise the value of F&N's interests in APB and APIPL, given the constraints of the joint-venture structure with

Heineken, in light of the recent shareholding changes of F&N and APB which had "altered the fabric of the partnership".

F&N Board believes that Heineken's improved offer represents an attractive premium to historical trading prices and valuation multiples of comparable companies, especially with the limitation of the right-of-first-refusal to Heineken for any divestment of shares in APIPL.

F&N also explained that it chose a capital reduction by share cancellation in order to achieve a more efficient capital structure going forward and will minimise the impact to earnings per share. The proposed share cancellation allows a rightsizing of the Group's share base with the reduction in earnings post divestment of its interests in APB. Furthermore, a capital reduction by pro rata share cancellation has the advantage of not disturbing the relative shareholding percentages of existing shareholders.

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DIRECTORS' RESPONSIBILITY STATEMENT

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