

APB REPORTS RECORD ATTRIBUTABLE PROFIT WITH 3rd CONSECUTIVE YEAR OF EARNINGS GROWTH - UP 13.4% to \$84.4 MILLION

Singapore, 15 November 2002 - Asia Pacific Breweries (APB) today announced one of its most robust results and third consecutive yearly rise. **Attributable profit before exceptional items hits an all time high of \$84.4 million, rising by 13.4%** despite sluggish economic conditions. Profit before interest and tax (PBIT) rose by 13.4% to \$140.3 million.

Growth engine markets Indochina and Thailand now account for 37% of Group PBIT, up from 27% last year. Indochina saw a hefty 59% jump in PBIT while Thailand had a 44% increase.

Said Mr Koh Poh Tiong, CEO Asia Pacific Breweries Limited: *"We are delighted with these results achieved in such challenging times. Our strategic plans are bearing fruits, and our first phase regional markets Indochina and Thailand have seen sustained double digit volume growth. Together with traditional markets like Singapore, Malaysia, Papua New Guinea and New Zealand, they now serve to fuel the Group's second phase of expansion. Our business fundamentals and financials remain sound, and we have established a strategic presence in China for long term growth opportunities. The APB Group intends to sustain the growth momentum by building scale in its operations to compete more effectively in the globalizing beer industry."*

APB's doubling of its brewing capacity in Thailand, which is due for completion by June 2003, strengthens the company's position to tap the healthy growth of the Thai beer market. As APB's brewery in southern Vietnam (Vietnam Brewery Limited) posts another record year of earnings, its Hatay Brewery in northern Vietnam anticipates completion in October 2003. Together, the two breweries will provide timely capacity to expand volumes in that country.

The streamlining and focusing of APB's business on beer only has translated into stronger business numbers. **Group revenue rose 8.2% to \$1.093 billion. Return on equity (before exceptional items) rose from 11.3% to 12%, while earnings per share (before exceptional items) appreciated from 29.4 cents to 33.2 cents. Net tangible assets climbed to \$2.81, up from \$2.66 last year.**

New Zealand PBIT increased 5% to \$25.4 million while Papua New Guinea achieved a better than expected 10% rise in PBIT to \$18.5 million. Singapore has seen a notable increase in volume growth.

Overall volumes in China have risen, market share in Shanghai has gone up, but Hainan's experienced a decline. While intense competition in the fast consolidating China beer market has put margins under pressure to increase China losses, APB will continue to work towards strengthening its position in that market.

"China remains a strategic market for any serious player in Asia Pacific. Our strategic presence there is critical to ensuring that APB has a foothold to benefit from the future growth surge in the world's biggest beer market (China)," commented Mr Koh.

Going forward, APB continues to build brand equity in its portfolio of over 40 brands and variants led by its worldclass flagship brands Tiger and Heineken, supported by regional brands like Anchor, Baron's and ABC Stout. To this end, APB is gratified to be recently conferred the Singapore Brand Award by International Enterprise Singapore, coming in second in brand strength after Singapore Airlines. The APB brand was valued by Interbrand at \$820 million (fourth out of 14 Singapore Brand Award winners).

In line with APB's confidence and commitment in the New Zealand market, its NZ \$60 million redeveloped brewery in Waitemata, North Island, New Zealand, was officially opened on November 5 to meet evolving market needs and quality requirements.

APB's holds a strong track record of successful regionalization in the early to mid nineties; its turning around after the Asian economic crisis; and ability to sustain growth post September 11. The fundamentals of the Group's business remain sound but the global political and economic environment presents uncertainties in the near term. Nonetheless, barring unforeseen circumstances, APB expects attributable net profit before exceptional items for the current year to be higher than last year.

