



ASIA PACIFIC BREWERIES LIMITED

(Incorporated in the Republic of Singapore)

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

Financial Statement And Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 2002:-

	Group			Company		
	<i>30/9/2002</i>	<i>30/9/2001</i> <i>(restated)#</i>	<i>Change</i>	<i>30/9/2002</i>	<i>30/9/2001</i> <i>(restated)#</i>	<i>Change</i>
	\$'000	\$'000	%	\$'000	\$'000	%
1. PROFIT STATEMENT						
Revenue						
- Sale of goods	1,092,228	1,009,087	8.2	-	-	-
- Other revenue	3,435	2,258	52.1	23,123	20,444	13.1
	<u>1,095,663</u>	<u>1,011,345</u>	8.3	<u>23,123</u>	<u>20,444</u>	13.1
Cost of sales	(666,581)	(619,372)	7.6	-	-	-
Gross Profit	<u>429,082</u>	<u>391,973</u>	9.5	<u>23,123</u>	<u>20,444</u>	13.1
Investment income	2,683	2,101	27.7	217,360	127,206	70.9
Other income including interest income	5,302	9,885	(46.4)	974	1,598	(39.0)
	<u>158,971</u>	<u>150,514</u>	5.6	<u>205,418</u>	<u>121,736</u>	68.7
Operating profit before interest, depreciation and amortisation						
Income derived from joint venture and associated companies	22,757	14,122	61.1	-	-	-
Foreign exchange gain	838	1,797	(53.4)	-	-	-
Depreciation and amortisation	(42,267)	(42,749)	(1.1)	(737)	(887)	(16.9)
Operating profit before interest, taxation and exceptional items	140,299	123,684	13.4	204,681	120,849	69.4
Interest income	5,302	9,885	(46.4)	974	1,598	(39.0)
Interest on borrowings	(1,539)	(2,967)	(48.1)	(29)	(2,233)	(98.7)
Profit before taxation and exceptional items	144,062	130,602	10.3	205,626	120,214	71.0
Exceptional items	704	27,144	(97.4)	(17,932)	-	-
Profit before taxation	144,766	157,746	(8.2)	187,694	120,214	56.1
Taxation	(38,420)	(41,294)	(7.0)	(43,803)	(30,439)	43.9
Profit after taxation	106,346	116,452	(8.7)	143,891	89,775	60.3
Attributable to outside shareholders	(21,442)	(21,243)	0.9	-	-	-
Attributable net profit						
Before exceptional items	84,405	74,459	13.4	161,823	89,775	80.3
Exceptional items	499	20,750	(97.6)	(17,932)	-	-
	<u>84,904</u>	<u>95,209</u>	(10.8)	<u>143,891</u>	<u>89,775</u>	60.3
Attributable net profit had there been no change in accounting policy #	85,682	95,561	(10.3)	144,042	89,775	60.4

N/M - Not meaningful
- See paragraph 9



2. RATIOS

	Group	
	<u>30/9/2002</u>	<u>30/9/2001</u> (restated)#
Profit after tax before deducting minority interests as a percentage of revenue		
- Before exceptional items	9.6%	8.8%
- After exceptional items	9.7%	11.5%**
Earnings per ordinary share based on weighted average share capital:		
- Before exceptional items	33.3 cents	29.4 cents
- After exceptional items	33.5 cents	37.6 cents
Earnings per ordinary share based on a fully diluted basis:		
- Before exceptional items	33.2 cents	29.4 cents
- After exceptional items	33.4 cents	37.6 cents
Net tangible asset backing per ordinary share	\$2.81	\$2.66

** This included exceptional gain of \$25.7 million from the disposal of Corban Wines.

3. SEGMENTAL RESULTS

	Revenue		PBIT *	
	<u>30/9/2002</u>	<u>30/9/2001</u>	<u>30/9/2002</u>	<u>30/9/2001</u>
Group revenue and profit analysis				
By Business Activity	\$'000	\$'000	\$'000	\$'000
Brewery operations				
- Subsidiary companies	1,093,091	1,009,087	124,881	111,924
- Joint venture and associated companies	-	-	22,757	14,122
Investment income	-	-	2,683	2,101
Corporate office	2,572	2,258	(10,022)	(4,463)
	<u>1,095,663</u>	<u>1,011,345</u>	<u>140,299</u>	<u>123,684</u>
By Territory				
Singapore	399,545	372,745	52,793	52,835
Malaysia	-	-	14,798	8,854
Papua New Guinea	93,614	91,727	18,528	16,835
New Zealand	240,130	215,617	25,393	24,187
Indochina	315,086	279,292	43,179	27,227
China	44,716	49,706	(13,125)	(7,853)
Thailand	-	-	8,755	6,062
Corporate office	2,572	2,258	(10,022)	(4,463)
	<u>1,095,663</u>	<u>1,011,345</u>	<u>140,299</u>	<u>123,684</u>

* PBIT = Profit before interest, taxation and exceptional items

4. EXCEPTIONAL ITEMS

	Group		Company	
	<u>30/9/2002</u>	<u>30/9/2001</u>	<u>30/9/2002</u>	<u>30/9/2001</u>
Exceptional items comprise:				
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of subsidiary companies and businesses	-	27,144	-	-
Write back of provision for expenses relating to disposal of subsidiary companies and businesses	2,886	-	-	-
Provision for restructuring costs of joint venture companies	(2,182)	-	-	-
Provision for write down of investment in a joint venture company	-	-	(17,932)	-
	<u>704</u>	<u>27,144</u>	<u>(17,932)</u>	<u>-</u>

See paragraph 9



5. ATTRIBUTABLE NET PROFIT

	Group	
	<u>30/9/2002</u>	<u>30/9/2001</u> (restated)#
	\$'000	\$'000
Brewery operations		
- Subsidiary companies	77,324	72,146
- Joint venture and associated companies	14,112	7,573
Investment income	1,846	1,444
Corporate office costs	(8,877)	(6,704)
	<u>84,405</u>	<u>74,459</u>
Exceptional items	499	20,750
	<u>84,904</u>	<u>95,209</u>

6. BALANCE SHEET

	Group		Company	
	<u>30/9/2002</u>	<u>30/9/2001</u> (restated)#	<u>30/9/2002</u>	<u>30/9/2001</u> (restated)#
	\$'000	\$'000	\$'000	\$'000
Fixed assets	477,369	484,550	2,418	2,300
Subsidiary companies	-	-	692,063	772,160
Joint venture companies	85,685	82,021	87,690	94,812
Associated companies	3,906	3,349	-	-
Other investments	45,487	41,580	11,618	11,732
Goodwill	4,222	-	-	-
Brands	5,546	5,973	5,546	5,973
Deferred tax assets	1,705	2,629	-	-
Current assets				
- Cash	241,226	241,848	6,635	438
- Others	191,077	155,172	22,544	18,809
Current liabilities				
- Borrowings	(30,701)	(10,488)	(651)	-
- Others	(196,720)	(192,911)	(83,578)	(179,581)
Deferred liabilities				
- Borrowings	(1,113)	(6,018)	-	-
- Others	(22,135)	(27,678)	-	-
Net assets	<u>805,554</u>	<u>780,027</u>	<u>744,285</u>	<u>726,643</u>
Financed by:-				
Share capital	253,803	253,125	253,803	253,125
Share premium	1,990	-	1,990	-
Reserves	467,408	426,747	488,492	473,518
	<u>723,201</u>	<u>679,872</u>	<u>744,285</u>	<u>726,643</u>
Outside shareholders	82,353	100,155	-	-
	<u>805,554</u>	<u>780,027</u>	<u>744,285</u>	<u>726,643</u>

See paragraph 9



7. STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	<u>30/9/2002</u>	<u>30/9/2001</u> <i>(restated)#</i>	<u>30/9/2002</u>	<u>30/9/2001</u> <i>(restated)#</i>
	\$'000	\$'000	\$'000	\$'000
Issued Capital				
Balance at beginning of year	253,125	253,125	253,125	253,125
Issued upon exercise of share options	678	-	678	-
Balance at end of year	<u>253,803</u>	<u>253,125</u>	<u>253,803</u>	<u>253,125</u>
Share Premium				
Balance at beginning of year	-	-	-	-
Premium on shares issued during the year	1,990	-	1,990	-
Balance at end of year	<u>1,990</u>	<u>-</u>	<u>1,990</u>	<u>-</u>
Reserves				
Balance at beginning of year				
As previously reported	428,458	382,527	473,901	429,466
Change in accounting policies	(1,711)	(1,359)	(383)	(383)
As restated	426,747	381,168	473,518	429,083
Net profit for the year				
As reported	84,904	95,561	143,891	89,775
Change in accounting policies	-	(352)	-	-
As restated	84,904	95,209	143,891	89,775
Dividends on ordinary shares	(53,264)	(45,562)	(53,264)	(45,562)
Currency exchange difference arising from translating foreign subsidiary and joint venture companies	9,021	(8,104)	83	222
Revaluation deficit realised	-	-	3	-
Surplus/(Deficit) from revaluation of investments/assets	-	4,036	(75,739)	-
Balance at end of year	<u>467,408</u>	<u>426,747</u>	<u>488,492</u>	<u>473,518</u>
Total Shareholders' Equity	<u><u>723,201</u></u>	<u><u>679,872</u></u>	<u><u>744,285</u></u>	<u><u>726,643</u></u>

See paragraph 9

**8. GROUP CASH FLOW STATEMENT**

	<u>30/9/2002</u>	<u>30/9/2001</u>
	\$'000	\$'000
Operating profit before taxation	144,766	157,746
Adjustments for non cash items	12,007	(6,152)
Changes in working capital and currency realignment	(10,364)	(1,608)
Net interest received	2,729	6,918
Income tax paid	(41,301)	(32,572)
Cash flow from operating activities	<u>107,837</u>	<u>124,332</u>
Purchase of fixed assets and investments	(65,006)	(56,859)
Proceeds from sale of assets and investments	1,380	121,216
Loans to joint venture and associated companies	(12,209)	(17,478)
Investment income	23,720	16,035
Net cash (used in)/from investing activities	<u>(52,115)</u>	<u>62,914</u>
Proceeds from issue of shares	2,668	-
Proceeds from/(repayment of) term loans	13,758	(39,644)
Capital repayment/reduction paid to outside shareholders	(3,139)	(25,451)
Payment of dividends	(70,282)	(54,133)
Net cash used in financing activities	<u>(56,995)</u>	<u>(119,228)</u>
Net cash and cash equivalents (decrease)/increase for the year	(1,273)	68,018
Cash and cash equivalents at beginning of the year	241,848	173,830
Cash and cash equivalents at end of year	<u>240,575</u>	<u>241,848</u>
Cash and cash equivalents comprise:		
- Bank fixed deposits	194,633	205,475
- Cash and bank balances	46,593	36,373
	<u>241,226</u>	<u>241,848</u>
- Bank overdrafts	(651)	-
	<u>240,575</u>	<u>241,848</u>

9. CHANGE IN ACCOUNTING POLICY

In compliance with new Singapore Statements of Accounting Standard, the Group has this year modified its accounting policies in respect of:

- (i) deferred taxation
- (ii) provision for employee entitlements to annual leave for services rendered up to end of financial year.

In consequence, deferred taxation and accrued annual leave as at 1 October 2000, \$1.4 million was adjusted by a charge against reserves. The comparative figures in the profit statement have been restated in compliance with the new policies resulting in group attributable net profit for the year to 30 September 2001, \$95.2 million, being lower than previously reported by \$0.4 million (last year as reported \$95.6 million).

10. REVIEW OF OPERATIONS

The principal activities of the Group are the brewing and sale of beer and stout. These activities are carried out through the Company's subsidiary, joint venture and associated companies to which the Company provides management and administrative services.

Investment income of the Company is derived mainly from dividends from its subsidiaries. The substantial increase in this income this year represents a special dividend declared by a Singapore subsidiary out of accumulated reserves to ensure the transfer of related tax credits to the Company for future use.

Despite unfavourable economic conditions in several markets, Group operating profit before interest, taxation and exceptional items (PBIT) for the year increased by 13.4% to \$140.3 million. Attributable net profit before exceptional items increased by 13.4% to \$84.4 million, its highest level to-date.

Singapore

Notwithstanding softer market conditions, earnings in Singapore were stable on the back of increased sales volume. Exports of Tiger beer continue to record strong growth.



Malaysia

Increased sales volumes in a depressed market, coupled with write-back of surplus provisions amounting to \$1.8 million, lifted PBIT by 67% to \$14.8 million.

Papua New Guinea

Despite a 16 % depreciation of the Kina, higher sales in a subdued economy coupled with tight control over operating costs boosted PBIT by 10% to \$18.5 million.

New Zealand

PBIT improved by 5% to \$25.4 million on the back of improved product mix, higher selling prices and a stronger NZ\$, offset partially by increased marketing expenditure.

Indochina

Profitability grew strongly mainly due to robust sales and improved product mix in Vietnam.

China

Increased competitive pressures especially in southern China have affected sales volume and operating margins of our Hainan subsidiary. Strong sales growth in Shanghai were offset by higher marketing expenditure and also by the full year effect of its increase in the equity interest of Shanghai Asia Pacific Brewery Co Ltd.

Thailand

The continued growth of the Heineken brand has resulted in a 44% increase in PBIT to \$8.8 million.

Exceptional Items

Details of exceptional items are given in paragraph 4. The disposal of the wine business by DB Breweries in New Zealand resulted in a gain of \$25.7 million in the previous year.

Net Interest Income

The current low interest rate environment has resulted in significantly lower interest income and interest expense notwithstanding higher borrowings in New Zealand to finance the upgrade of the brewery in Auckland.

11. OUTLOOK

The Group continues to benefit from its investments in new markets in the early and mid nineties. PBIT from Indochina and Thailand now account for 37% of total group PBIT, up from 27% last year. While losses in China have increased during this financial year, we remain positive about the longer term prospects of our operations in China. Sales and market share in Shanghai are on a strong recovery.

The fundamentals of the Group's business remain sound but the global political and economic environment presents uncertainties in the near term. Nonetheless, barring any other unforeseen circumstances, the Board expects attributable net profit before exceptional items for the current year to be higher than last year.

No significant trend or event affecting the earnings of the Company or the Group has occurred between the end of the financial year, 30 September 2002, and the date of this announcement.

12. DIVIDEND/NOTICE OF ANNUAL GENERAL MEETING

- (a) The Directors propose, subject to shareholders' approval at the Annual General Meeting to be held on 28 January 2003, a final dividend of 12 Singapore cents per share of \$1, being AFTER deduction of Singapore tax, to be paid on 18 February 2003. This is equivalent to a gross dividend of 15.4%. Taken with the interim dividend this will give a total distribution for the year of 24 cents per share after tax, or 30.8% gross (last year: 18 cents after tax, or 23.5% gross).
- (b) Registrable transfers received by the Company's Registrars, Barbinder & Co Pte Ltd, 8 Cross Street, #11-00 PWC Building, Singapore 048424 by 5.00pm on 6 February 2003 will be registered before entitlements to the dividend are determined. Notice is hereby given that the share registers will be closed from 7 February 2003 to 10 February 2003, both dates inclusive, for preparation of dividend warrants
- (c) Notice is hereby given that the Annual General Meeting of the Company will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Tuesday 28 January 2003 at 10.00am.

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary

15 November 2002