

**Asia Pacific Breweries ups earnings by 17.5 % to \$51 million
- Growth engines, Vietnam and Thailand, contribute more than 30% of PBIT**

Singapore, May 17, 2002 - Asia Pacific Breweries (APB) today announced a 3rd consecutive improvement in half year results with attributable net profit, before exceptional items, growing by 17.5% (\$7.6 million) to \$51 million despite a difficult year for the region. Profit before interest and tax (PBIT) before exceptional items - rose 10.4% from the previous year to \$84.5 million. Growth engines, Vietnam and Thailand, which together contributed more than 30% of PBIT, have now become strategic markets for the Group.

APB has been building up momentum for its second phase of regionalisation with the resumption of construction of its brewery in Hatay, North Vietnam (initial capacity, 400 thousand hectolitres) and doubling of its brewery capacity to nearly 2 million hectolitres in Thailand by 2003.

Despite the regional economic slow down, the Group's clear focus on the beer and stout business has led to a 6% increase in total revenue to yield improved return on equity (before exceptional items) from 6.6% to 7.3%. For the half year, earnings per share (before exceptional items) climbed 3 cents from 17.1 cents to 20.1 cents while Net Tangible Assets per share has increased from \$2.66 to \$2.82. APB's directors are pleased to declare an interim dividend of 12 cents per share (up from 9 cents last year) after deduction of Singapore tax, to be paid on 19 June 2002.

Said CEO, Mr Koh Poh Tiong, ***"APB is gearing up to compete more aggressively in the fast globalising beer industry. We continue to actively explore new markets in the Asia Pacific region to achieve scale and diversity of markets under our second phase of regionalisation."***

APB's traditional markets have also turned in encouraging results with increased PBIT from Malaysia (+38%), New Zealand (+8.5%), and Papua New Guinea (+6%). Singapore continued to grow its volume and market share but earnings softened with increased marketing investments. APB's initiatives in its traditional markets include innovative marketing and cost management efforts.

As for APB's operations in China, ***"Net losses have stabilized at levels similar to last year's despite intensifying competition. In Shanghai, volumes have grown by double digits. Loss reduction was, however, offset by the full effect of an increase in shareholding from 35% to 48.5% in Shanghai Asia Pacific Brewery Company Limited. APB's main brand in Shanghai, "Reeb", is gaining market share. In Hainan, APB continues to be the market leader despite escalating competitive pressures in Southern China. APB has, for the first time, stationed its Regional Director for China in Shanghai to facilitate closer management of the market. This will also better place APB to seize growth opportunities as that market develops,"*** added Mr Koh.

As part of APB's long term commitment to establishing Tiger as a leading Asian brand, several new campaigns have been launched in Tiger markets. ***"We will continue our investments behind Tiger and aim to expand its presence overseas both in Asia and further afield to expand Tiger's wide footprint in over 50 countries around the world. To this end, we are particularly encouraged by the sustained development of Tiger as a premium import beer in the UK."*** Mr Koh commented.

Tiger and Heineken are flagship brands within APB's portfolio of over 40 brands and variants, which are leading brands in their respective market segments in the Asia Pacific region.

"The improved economic environment in the region is likely to have a positive effect on the performance of the Group. With APB's sound portfolio of diversified markets and brands supporting a continuing quest for long term growth, we remain quietly confident - barring unforeseen circumstances - that attributable profit before exceptional items for the full year is expected to be ahead of last year." Mr Koh concluded.

About Asia Pacific Breweries Limited

Asia Pacific Breweries Limited (APB) has a network of 14 breweries in 8 countries, brewing and marketing a portfolio of over 40 brands and brand variants, including its world class Tiger and Heineken Beers. Tiger Beer has won over 30 gold medals, including the prestigious Beer Industry International Award (UK) in 1998. Tiger Beer has also been named

among the top 5 Asian brands by an international research agency in 2000. Heineken continues to lead as the world's number one international premium beer.

APB was ranked among the top 10 companies in Singapore in a Far Eastern Economic Review (FEER) survey in 2000. It was also named as one of Asia's leading multi-national corporations for four consecutive years in the FEER survey.

APB is a Singapore listed company. Asia Pacific Investments Pte Ltd, which is an equal joint venture between Singapore-based Fraser and Neave Limited and Heineken N.V. of The Netherlands, has a controlling interest in APB.