



ASIA PACIFIC BREWERIES LIMITED

(Incorporated in the Republic of Singapore)

RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2003 Financial Statement And Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the half year ended 31 March 2003:-

	Group			Company		
	----- Half year to -----			----- Half year to -----		
1. PROFIT STATEMENT	31/3/2003	31/3/2002	Change	31/3/2003	31/3/2002	Change
%	\$'000	\$'000	%	\$'000	\$'000	\$'000
Revenue	649,598	560,834	15.8	9,243	12,719	(27.3)
Cost of sales	(393,974)	(332,898)	18.3	-	-	-
Gross profit	255,624	227,936	12.1	9,243	12,719	(27.3)
Operating expenses						
- Distribution	(18,398)	(17,325)	6.2	-	-	-
- Marketing	(110,080)	(106,857)	3.0	(5,995)	(6,988)	(14.2)
- Administration	(40,629)	(33,270)	22.1	(10,312)	(9,187)	12.2
	(169,107)	(157,452)	7.4	(16,307)	(16,175)	0.8
Trading profit/(loss)	86,517	70,484	22.7	(7,064)	(3,456)	104.4
Gross dividends from subsidiary companies						
- quoted	-	-	-	5,865	5,374	9.1
- unquoted	-	-	-	18,282	8,336	119.3
Gross dividends from joint venture companies	-	-	-	-	7,857	12,515(37.2)
Share of joint venture and associated companies' profits	12,110	12,920	(6.3)	-	-	-
Gross income from investments	1,375	1,101	24.9	252	232	8.6
Profit before interest, taxation and exceptional items	100,002	84,505	18.3	25,192	23,001	9.5
Net interest income	2,160	1,490	45.0	357	476	(25.0)
Profit before taxation and exceptional items . 8.8		102,162	85,995	18.8	25,549	23,477
Exceptional items	(232)	-	N/M	-	-	-
Profit before taxation	101,930	85,995	18.5	25,549	23,477	8.8
Taxation	(25,031)	(23,127)	8.2	(2,544)	(5,351)	(52.5)
Profit after taxation	76,899	62,868	22.3	23,005	18,126	26.9
Attributable to outside shareholders	(19,372)	(11,908)	62.7	-	-	-
Attributable net profit						
Before exceptional items	57,723	50,960	13.3	23,005	18,126	26.9
Exceptional items	(196)	-	N/M	-	-	-
	57,527	50,960	12.9	23,005	18,126	26.9

N/M - Not meaningful



2. RATIOS

	Group	
	----- Half year to -----	
	31/3/2003	31/3/2002
Profit before interest, taxation and exceptional items as a percentage of revenue	15.4%	15.1%
Earnings per ordinary share based on weighted average share capital:		
- before exceptional items	22.7 cents	20.1 cents
- after exceptional items	22.6 cents	20.1 cents
Earnings per ordinary share on a fully diluted basis:		
- before exceptional items	22.7 cents	20.1 cents
- after exceptional items	22.6 cents	20.1 cents
Net asset value (NAV) per ordinary share	\$3.01	\$2.85 ##

Refers to NAV per ordinary share as at 30 Sep 2002.

3. SEGMENTAL RESULTS

	Revenue		PBIT*	
	----- Half year to -----		----- Half year to -----	
	31/3/2003	31/3/2002	31/3/2003	31/3/2002
Group revenue and profit analysis				
By Business Activity	\$'000	\$'000	\$'000	\$'000
Brewery operations				
- subsidiary companies	648,394	559,488	92,783	72,523
- joint venture and associated companies 12,920	-	-	-	12,110
Investment income 1,375	1,101	-	-	-
Corporate office	1,204	1,346	(6,266)	(2,039)
	<u>649,598</u>	<u>560,834</u>	<u>100,002</u>	<u>84,505</u>
By Territory				
Singapore	215,103	197,156	22,683	27,279
Malaysia	-	-	7,656	8,347
Papua New Guinea	46,815	45,015	8,889	8,786
New Zealand	165,130	123,153	22,331	17,049
Indochina	197,544	170,379	44,588	25,104
China	23,802	23,785	(7,310)	(5,743)
Thailand	-	-	7,431	5,722
Corporate office	1,204	1,346	(6,266)	(2,039)
	<u>649,598</u>	<u>560,834</u>	<u>100,002</u>	<u>84,505</u>

Attributable Net Profit

	----- Half year to -----	
	31/3/2003	31/3/2002
By Business Activity	\$'000	\$'000
Brewery operations		
- subsidiary companies	56,721	45,106
- joint venture and associated companies	6,342	6,997
Investment income	926	896
Corporate office	(6,266)	(2,039)
	<u>57,723</u>	<u>50,960</u>
Exceptional items	(196)	-
	<u>57,527</u>	<u>50,960</u>

* PBIT - Profit before interest, taxation and exceptional items



4. EXCEPTIONAL ITEMS

	Group		Company	
	----- Half year to -----		----- Half year to -----	
	31/3/2003	31/3/2002	31/3/2003	31/3/2002
	\$'000	\$'000	\$'000	\$'000
Gain from disposal of properties	226	-	-	-
Share of restructuring costs of a joint venture company	(458)	-	-	-
	<u>(232)</u>	<u>-</u>	<u>-</u>	<u>-</u>

5. BALANCE SHEET

	As at	As at	As at	As at
	31/3/2003	30/9/2002	31/3/2003	30/9/2002
	\$'000	\$'000	\$'000	\$'000
Fixed assets	503,380	477,369	2,270	2,418
Subsidiary companies	-	-	691,830	692,063
Joint venture companies	93,329	85,685	95,522	87,690
Associated companies	4,557	3,906	-	-
Other investments	26,648	45,487	1,542	11,618
Goodwill	5,777	4,222	-	-
Brands	5,333	5,546	5,333	5,546
Deferred tax assets	1,006	1,705	-	-
Current assets				
- Cash	227,313	241,226	2,022	6,635
- Others	246,194	191,077	45,940	22,544
Current liabilities				
- Borrowings	(42,906)	(30,701)	(10,620)	(651)
- Others	(185,777)	(196,720)	(96,251)	(83,578)
Deferred liabilities				
- Borrowings	(3,178)	(1,113)	-	-
- Others	(24,083)	(22,135)	-	-
Net assets	<u>857,593</u>	<u>805,554</u>	<u>737,588</u>	<u>744,285</u>
Financed by:-				
Issued capital	254,027	253,803	254,027	253,803
Share premium	2,715	1,990	2,715	1,990
Reserves	507,935	467,408	480,846	488,492
	<u>764,677</u>	<u>723,201</u>	<u>737,588</u>	<u>744,285</u>
Outside shareholders	<u>92,916</u>	<u>82,353</u>	<u>-</u>	<u>-</u>
	<u>857,593</u>	<u>805,554</u>	<u>737,588</u>	<u>744,285</u>

**6. STATEMENT OF CHANGES IN EQUITY**

	Group		Company	
	----- Half year to -----		----- Half year to -----	
	<u>31/3/2003</u>	<u>31/3/2002</u>	<u>31/3/2003</u>	<u>31/3/2002</u>
	\$'000	\$'000	\$'000	\$'000
Issued Capital				
Balance at beginning of period	253,803	253,125	253,803	253,125
Issued upon exercise of share options	224	490	224	490
	<u>254,027</u>	<u>253,615</u>	<u>254,027</u>	<u>253,615</u>
Balance at end of period				
Share Premium				
Balance at beginning of period	1,990	-	1,990	-
Premium on shares issued during the period		725	1,399	725
		<u>1,399</u>		<u>1,399</u>
Balance at end of period	<u>2,715</u>	<u>1,399</u>	<u>2,715</u>	<u>1,399</u>
Reserves				
Balance at beginning of period	467,408	426,747	488,492	473,518
Net profit for the period	57,527	50,960	23,005	18,126
Dividends on ordinary shares	(30,483)	(22,817)	(30,483)	(22,817)
Currency exchange difference arising from translating foreign subsidiary, joint venture and associated companies	13,483	16,100	(168)	587
	<u>507,935</u>	<u>470,990</u>	<u>480,846</u>	<u>469,414</u>
Balance at end of period				
Total Shareholders' Equity	<u><u>764,677</u></u>	<u><u>726,004</u></u>	<u><u>737,588</u></u>	<u><u>724,428</u></u>

**7. GROUP CASH FLOW STATEMENT**

	Half year to	
	31/3/2003	31/3/2002
	\$'000	\$'000
Profit before taxation	101,930	85,995
Adjustments for non cash items.....	5,216	6,929
Changes in working capital and currency realignment.....	(11,507)	1,242
Net interest received	773	1,490
Retirement benefit paid	(292)	(165)
Income tax paid	(22,136)	(15,728)
	<u>73,984</u>	<u>79,763</u>
Cash flow from operating activities		
Acquisition of business	(3,878)	-
Purchase of fixed assets and investments	(67,358)	(31,852)
Proceeds from sale of assets and investments	18,516	575
Loans to a joint venture company	(8,000)	(8,086)
Investment income	7,546	11,506
	<u>(53,174)</u>	<u>(27,857)</u>
Net cash used in investing activities		
Proceeds from issue of shares	949	1,889
(Repayment of)/proceeds from term loans	(99)	8,270
Capital reduction paid to outside shareholders	(1,826)	(2,020)
Payment of dividends	(43,716)	(28,713)
	<u>(44,692)</u>	<u>(20,574)</u>
Net cash used in financing activities		
Net cash (decrease)/increase for the period	(23,882)	31,332
Cash at beginning of the period	240,575	241,848
	<u>216,693</u>	<u>273,180</u>
Cash at end of period		
Cash and cash equivalents comprise:		
- Bank fixed deposits	174,826	237,030
- Cash and bank balances	52,487	37,389
	227,313	274,419
- Short term bank borrowings	(10,620)	(1,239)
	<u>216,693</u>	<u>273,180</u>

8. 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 subsidiary and joint venture companies.

The Directors are pleased to report a strong performance, despite adverse economic conditions in several markets. Group PBIT increased by 18.3% to \$100 million and Group attributable net profit before exceptional items grew by 13.3% to \$57.7 million.

Dividend income of the Company

The 119% increase in dividend income from unquoted subsidiary companies reflects the special dividend declared by Vietnam Brewery Limited. In the previous period, dividends from joint venture companies included a special dividend from Guinness Anchor Berhad in Malaysia.



Singapore

The beer and stout business was adversely affected by the soft economic conditions, aggravated by the uncertainties arising from the war in Iraq and the outbreak of SARS in March.

Malaysia

Higher sales were largely offset by competitive pricing pressures. Last year's PBIT had the benefit of a write-back of surplus provisions.

Papua New Guinea

Higher sales revenue generated improvements in PBIT in local currency. This was offset by an 8% depreciation of the Kina resulting in a net 1% increase in Singapore dollar terms.

New Zealand

PBIT improved by 31% due mainly to higher sales, better product mix and translation gains from stronger NZ\$.

Indochina

Profitability grew strongly on the back of a double-digit sales growth in Vietnam and Cambodia as well as an improved product mix in Vietnam. Commercial production at the Hatay Brewery in North Vietnam is expected to commence in the fourth quarter of 2003. Sales in North Vietnam, although small at present, were affected by SARS.

China

Sales revenue and market share increased in Hainan whereas sales revenue in Shanghai was stable. However PBIT was affected by the sudden withdrawal of VAT exemption in Hainan from January 2003 and this mainly accounted for an increase of \$1.6 million in losses in China.

Thailand

The continued strong growth in sales contributed to a 30% increase in PBIT. The doubling of production capacity in Thailand to 2 million hectolitres per annum is expected to be completed in the current financial year.

9. OUTLOOK

Prior to the outbreak of SARS and given the positive performance in the first half of the current financial year, we were confident of achieving double-digit growth in earnings for the full year. Unfortunately, SARS has already affected sales in some markets. However, if its spread can be contained and barring any other unforeseen circumstances, attributable net profit before exceptional items for the full year is expected to be at least comparable, if not better, than the previous year.

10. DIVIDEND/BOOKS CLOSURE DATE

- (a) The Directors have declared an interim dividend of 12 Singapore cents (last year: 12 cents) per share, being AFTER deduction of Singapore tax, to be paid on 17 June 2003. This is equivalent to a gross (pre-tax) dividend of 15.4%.
- (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 3 June 2003 will be registered before entitlements to the dividend are determined. Notice is hereby given that the share registers will be closed on 4 and 5 June 2003 for preparation of dividend warrants.

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary