



FRASER AND NEAVE, LIMITED

(Registration No. 18980001R)
(Incorporated in the Republic of Singapore)

THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

The Directors are pleased to make the following announcement of the unaudited results for the 3rd Quarter ended 30 June 2004:-

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) PROFIT STATEMENT

	Group					
	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	Change %	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000	Change %
Revenue	811,990	817,288	(0.6)	2,510,473	2,703,855	(7.2)
Cost of sales	(515,169)	(543,218)	(5.2)	(1,591,911)	(1,765,600)	(9.8)
Gross profit	296,821	274,070	8.3	918,562	938,255	(2.1)
Operating expenses						
- Distribution	(32,689)	(29,668)	10.2	(102,940)	(96,294)	6.9
- Marketing	(110,740)	(101,376)	9.2	(299,807)	(290,917)	3.1
- Administration	(67,886)	(52,555)	29.2	(189,631)	(172,703)	9.8
	(211,315)	(183,599)	15.1	(592,378)	(559,914)	5.8
Trading profit	85,506	90,471	(5.5)	326,184	378,341	(13.8)
Share of joint venture companies' profits	6,970	5,260	32.5	20,416	14,083	45.0
Share of associated companies' profits/(losses)	4,311	(193)	NM	4,285	(1,722)	NM
Gain on Compass Point securitisation	2,366	-	NM	28,014	-	NM
Gross income from investments	2,109	9,936	(78.8)	19,002	22,178	(14.3)
Profit before interest, taxation and exceptional items	101,262	105,474	(4.0)	397,901	412,880	(3.6)
Net interest expenses	(6,630)	(10,819)	(38.7)	(28,050)	(32,146)	(12.7)
Profit before taxation and exceptional items	94,632	94,655	-	369,851	380,734	(2.9)
Exceptional items	23,896	(20,518)	NM	20,153	(23,263)	NM
Profit before taxation	118,528	74,137	59.9	390,004	357,471	9.1
Taxation	(27,264)	(29,058)	(6.2)	(98,702)	(103,814)	(4.9)
Profit after taxation	91,264	45,079	102.5	291,302	253,657	14.8
Minority interests, net of taxes	(25,655)	(14,647)	75.2	(102,745)	(84,307)	21.9
Attributable profit						
- Before exceptional items	40,754	47,014	(13.3)	164,804	188,390	(12.5)
- Exceptional items	24,855	(16,582)	NM	23,753	(19,040)	NM
	65,609	30,432	115.6	188,557	169,350	11.3

NM - Not meaningful

1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO INCOME STATEMENT

		Group					
		3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	Change %	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000	Change %
Investment income							
(A)	Gross income from investments	2,109	9,936	(78.8)	19,002	22,178	(14.3)
Net interest expenses							
(B)	Interest income	4,206	2,281	84.4	13,694	12,979	5.5
(C)	Interest expenses	(10,836)	(13,100)	(17.3)	(41,744)	(45,125)	(7.5)
		(6,630)	(10,819)	(38.7)	(28,050)	(32,146)	(12.7)
Operating expenses							
Included in operating expenses are:							
(D)	Depreciation & amortisation	(33,851)	(34,331)	(1.4)	(105,470)	(101,953)	3.4
(E)	Provision for doubtful debts & bad debts written off	(1,032)	(1,267)	(18.5)	(3,308)	(4,473)	(26.0)
(F)	Write-off for stock obsolescence	(3,645)	(158)	NM	(5,236)	(3,251)	61.1
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange (loss)/gain	(362)	4,615	NM	4,684	12,523	(62.6)
(J)	Loss on disposal of fixed assets	(495)	(297)	66.7	(919)	(318)	189.0
Taxation							
(I)	(Under)/Over provision of prior year taxation	(665)	(37)	NM	1,010	3,459	(70.8)
Exceptional items							
	Profit on disposal of investments	29,414	-	NM	29,819	-	NM
	Loss on disposal of investments in subsidiary and associated companies	(45)	(18,885)	(99.8)	(134)	(18,614)	(99.3)
	Profit on disposal of properties	1,124	93	NM	1,212	319	NM
	Share of exceptional items of joint venture companies	91	340	(73.2)	2,493	(2,315)	NM
	Restructuring and re-organisation costs	(6,688)	(2,066)	NM	(12,858)	(2,653)	NM
	Goodwill arising from additional investments in subsidiaries	-	-	-	(379)	-	NM
		23,896	(20,518)	NM	20,153	(23,263)	NM
(L)	Extraordinary items	-	-	-	-	-	-
(M)	Profit before interest, taxation and exceptional items as a percentage of revenue	12.5%	12.9%		15.8%	15.3%	

NM - Not meaningful

1(a)(iii) ADDITIONAL INFORMATION
GROUP REVENUE AND PROFIT ANALYSIS

	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000
Revenue				
By Business				
Soft drinks	94,354	91,212	312,602	297,472
Dairies	98,208	90,940	279,366	248,175
Breweries	376,692	324,254	1,155,056	1,017,019
Printing and publishing	98,607	119,486	340,064	369,103
Glass containers	22,923	23,562	78,108	80,433
Investment property	45,663	46,696	136,755	139,890
Development property	69,876	114,527	189,488	528,832
Investment and other income	5,667	6,611	19,034	22,931
	811,990	817,288	2,510,473	2,703,855
By Territory				
Singapore	284,275	303,359	835,235	1,144,760
Malaysia	176,213	174,385	556,941	537,257
Rest of South East Asia	110,429	103,780	381,199	349,433
North East Asia	87,224	53,038	200,468	148,577
South Pacific	133,745	148,377	457,457	413,484
Europe/USA	20,104	34,349	79,173	110,344
	811,990	817,288	2,510,473	2,703,855
Profit before interest, taxation and exceptional items (PBIT)				
By Business				
Soft drinks	9,792	8,742	36,797	30,187
Dairies	3,741	6,138	10,583	13,486
Breweries	40,354	27,397	160,298	126,741
Printing and publishing	2,252	5,552	13,253	14,617
Glass containers	971	3,376	4,970	10,145
Investment property	27,405	27,580	84,117	83,797
Development property	9,488	9,359	31,142	96,423
Investment and other income	7,259	17,330	56,741	37,484
	101,262	105,474	397,901	412,880
By Territory				
Singapore	48,070	59,132	188,826	238,075
Malaysia	19,443	19,090	67,592	59,935
Rest of South East Asia	21,002	17,824	86,125	76,964
North East Asia	(3,194)	(7,333)	(19,563)	(26,861)
South Pacific	12,924	13,275	70,282	60,796
Europe/USA	3,017	3,486	4,639	3,971
	101,262	105,474	397,901	412,880
Attributable profit				
By Business				
Soft drinks	4,683	4,023	16,168	13,022
Dairies	(122)	2,995	671	4,759
Breweries	8,122	4,184	32,611	24,703
Printing and publishing	1,534	2,973	7,704	7,985
Glass containers	201	1,397	1,936	4,104
Investment property	19,709	17,283	59,980	50,743
Development property	6,525	5,247	20,009	68,673
Investment and other income	102	8,912	25,725	14,401
	40,754	47,014	164,804	188,390
Exceptional items	24,855	(16,582)	23,753	(19,040)
	65,609	30,432	188,557	169,350

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEET

	<u>Group</u>		<u>Company</u>	
	As at 30/6/2004 \$'000	As at 30/9/2003 \$'000	As at 30/6/2004 \$'000	As at 30/9/2003 \$'000
Fixed assets	1,360,404	1,344,906	-	-
Investment properties	2,273,001	2,266,738	-	-
Properties under development	1,521,622	1,100,052	-	-
Subsidiary companies	-	-	3,664,670	3,913,320
Joint venture companies	118,361	118,648	-	-
Associated companies	228,222	161,631	-	-
Other investments	62,361	42,711	7,728	8,879
Intangible assets	149,481	38,959	-	-
Brands	8,099	9,536	1,628	2,503
Deferred tax assets	13,998	15,412	-	-
CURRENT ASSETS				
Properties held for sale	331,272	369,398	-	-
Stocks	332,023	336,359	-	-
Trade debtors	390,717	636,767	-	-
Subsidiary companies	-	-	6,611	7,858
Joint venture companies	535	3,428	-	-
Associated companies	1,233	1,984	-	-
Other debtors	155,634	109,481	3,647	1,281
Short term investments	8,174	326,365	-	-
Bank fixed deposits	553,632	687,210	19,423	6,102
Cash and bank balances	163,776	160,561	468	4,985
	<u>1,936,996</u>	<u>2,631,553</u>	<u>30,149</u>	<u>20,226</u>
Deduct: CURRENT LIABILITIES				
Trade creditors	339,068	364,044	-	-
Subsidiary companies	-	-	25,720	12,326
Joint venture companies	3,873	5,245	686	686
Associated companies	73	93	-	-
Other creditors	405,765	404,658	7,972	7,439
Bank borrowings	563,949	1,171,685	60,750	555,055
Term loans	584,500	369,750	-	-
Provision for taxation	113,899	137,958	3,554	3,554
	<u>2,011,127</u>	<u>2,453,433</u>	<u>98,682</u>	<u>579,060</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(74,131)</u>	<u>178,120</u>	<u>(68,533)</u>	<u>(558,834)</u>
	<u>5,661,418</u>	<u>5,276,713</u>	<u>3,605,493</u>	<u>3,365,868</u>
Deduct: DEFERRED LIABILITIES				
Bank borrowings	143,745	156,961	-	-
Term loans	1,585,249	1,285,317	800,000	500,000
Provision for retirement benefits	23,590	24,650	-	-
Deferred tax liabilities	95,082	97,331	-	-
	<u>1,847,666</u>	<u>1,564,259</u>	<u>800,000</u>	<u>500,000</u>
	<u>3,813,752</u>	<u>3,712,454</u>	<u>2,805,493</u>	<u>2,865,868</u>
Financed by:				
Share capital	231,340	230,517	231,340	230,517
Share premium	139,618	135,111	139,618	135,111
Reserves	<u>2,522,127</u>	<u>2,473,663</u>	<u>2,434,535</u>	<u>2,500,240</u>
	<u>2,893,085</u>	<u>2,839,291</u>	<u>2,805,493</u>	<u>2,865,868</u>
Minority interests	920,667	873,163	-	-
	<u>3,813,752</u>	<u>3,712,454</u>	<u>2,805,493</u>	<u>2,865,868</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/6/2004		As at 30/9/2003	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
128,252	1,020,197	61,087	1,480,348

Amount repayable after one year

As at 30/6/2004		As at 30/9/2003	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
387,185	1,341,809	389,466	1,052,812

Details of any collateral

Secured borrowings are generally bank overdrafts and bank loans secured by the borrowing companies' land and buildings, plant and machinery, equivalent amounts placed in fixed deposits and share pledge on a subsidiary.

A secured term loan is secured by a first fixed and floating charge over all assets and undertakings of a special purpose company and an assignment of all rights, benefits and title of the borrowing company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CASH FLOW STATEMENT

Group

	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before taxation and exceptional items	94,632	94,655	369,851	380,734
Adjustments for:				
Depreciation of fixed assets and investment properties	31,924	32,852	98,787	96,541
Provision for fixed assets write off/(write back)	108	69	(531)	(167)
Provision/Write off of intangible assets	405	1,027	405	1,027
Provision for retirement benefits	438	291	1,194	240
Provision for diminution in value of investment	-	229	-	766
Provision for loan to associated company	75	180	225	180
Loss on disposal of fixed assets (net)	495	297	919	318
Gain on Compass Point securitisation	(2,366)	-	(28,014)	-
Amortisation of development properties	28	30	82	84
Amortisation of brands	466	457	1,402	1,354
Amortisation of intangible assets	1,433	992	5,199	3,974
Interest expenses (net)	6,630	10,819	28,050	32,146
Share of joint venture companies' profits	(6,970)	(5,260)	(20,416)	(14,083)
Share of associated companies' (profits)/losses	(4,311)	193	(4,285)	1,722
Investment income	(2,109)	(9,936)	(19,002)	(22,178)
Profits on properties for sale	(9,439)	(10,357)	(27,718)	(108,146)
Operating cash before working capital changes	111,439	116,538	406,148	374,512
Change in stocks	4,029	(11,029)	9,318	(23,604)
Change in trade and other debtors	6,788	127,835	204,806	118,067
Change in joint venture and associated companies' balances	1,774	3,103	1,606	4,612
Change in trade and other creditors	14,676	19,487	(56,812)	8,521
Currency realignment	8,198	4,603	(2,061)	3,115
Cash generated from operations	146,904	260,537	563,005	485,223
Interest expenses paid, net	(6,630)	(10,819)	(28,050)	(32,146)
Income taxes paid	(44,129)	(11,528)	(117,141)	(56,524)
Payment of retirement benefits	(1,410)	(668)	(2,357)	(2,021)
Progress payment received/receivable on properties for sale	44,638	121,673	94,719	652,139
Development expenditure on properties for sale	(84,007)	(71,140)	(450,618)	(441,769)
Net cash from operating activities	55,366	288,055	59,558	604,902
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Dividends from joint venture and associated companies	9,457	10,429	16,221	16,776
Investment income	2,280	9,977	19,009	22,276
Proceeds from return of capital from associated companies	-	93	322	93
Proceeds from Compass Point securitisation	2,000	-	25,300	-
Proceeds from disposal of an associated company	-	-	-	443
Proceeds from sale of fixed assets	3,352	778	10,148	2,165
Proceeds from sale of other investments and short term investments	281,492	42,133	355,641	27,282
Purchase of fixed assets	(33,856)	(56,189)	(105,084)	(123,530)
Purchase of other investments and short term investments	(9,989)	(1,984)	(23,845)	(10,127)
Acquisition of minority interests in subsidiary company	-	(1,366)	(79)	(8,770)
Acquisition of subsidiary companies	2,744	-	2,744	-
Acquisition of intangible assets and brands	(4,980)	(3,733)	(11,572)	(4,675)
Development expenditure on investment properties	(279)	(407)	(723)	(2,275)
Investments in associated companies	(68,852)	(9,122)	(196,382)	(69,600)
Net cash from/(used in) investing activities	183,369	(9,391)	91,700	(149,942)



CASH FLOW STATEMENT (cont'd)

	Group			
	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loans and bank borrowings	(160,247)	(142,516)	(113,420)	(301,035)
Proceeds from loan from minority interests	3,223	-	3,221	-
Proceeds from issue of shares:				
- by subsidiary companies to minority interests	5,151	1,172	9,562	2,121
- by parent company to shareholders	250	2,658	5,330	6,035
Payment on capital reduction by subsidiary company to minority interests	-	-	-	(1,919)
Payment of dividends:				
- by subsidiary companies to minority interests	(40,527)	(19,338)	(77,114)	(52,022)
- by parent company to shareholders	(46,265)	(53,573)	(115,647)	(107,070)
Net cash used in financing activities	(238,415)	(211,597)	(288,068)	(453,890)
Net increase/(decrease) in cash and cash equivalents	320	67,067	(136,810)	1,070
Cash and cash equivalents at beginning of period	706,690	576,195	843,820	642,192
Cash and cash equivalents at end of period	707,010	643,262	707,010	643,262
Cash and cash equivalents at end of period comprise:				
Bank fixed deposits	553,632	520,812	553,632	520,812
Cash and bank balances	163,776	144,220	163,776	144,220
Bank overdrafts	(10,398)	(21,770)	(10,398)	(21,770)
	707,010	643,262	707,010	643,262
Analysis of acquisition of subsidiary companies				
Net assets acquired:				
Fixed assets	20,318		20,318	
Current assets	8,693		8,693	
Current liabilities	(14,937)		(14,937)	
Non-current liabilities	(4,975)		(4,975)	
Minority interest	(5,176)		(5,176)	
Cash	13,457		13,457	
	<u>17,380</u>		<u>17,380</u>	
Cost of investment as an associate	(7,677)		(7,677)	
Translation difference	897		897	
Goodwill on acquisition	113		113	
Consideration paid	10,713		10,713	
Less: Cash of subsidiary companies	(13,457)		(13,457)	
	<u>(2,744)</u>		<u>(2,744)</u>	
Cash flow on acquisition net of cash and cash equivalent acquired	(2,744)		(2,744)	

- 1(d)(i) A statement (for the issuer and group) showing either**
(i) all changes in equity or
(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Group							
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3rd Quarter ended 30 June 2004								
Balance at 1 April 2004	231,301	139,407	3,228	623,765	1,833,501	(8,710)	46,260	2,868,752
Revaluation surplus on investment and properties for sale realised	-	-	-	(3,075)	816	-	-	(2,259)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	(12)	97	-	-	85
Currency translation difference	-	-	-	2	-	6,911	-	6,913
Net (losses)/gains not recognised in the profit statement	-	-	-	(3,085)	913	6,911	-	4,739
Issue of shares upon exercise of share options	39	211	-	-	-	-	-	250
Attributable profit	-	-	-	-	65,609	-	-	65,609
Dividends: Interim dividend for the year, paid	-	-	-	-	(5)	-	(46,260)	(46,265)
Balance at 30 June 2004	231,340	139,618	3,228	620,680	1,900,018	(1,799)	-	2,893,085
3rd Quarter ended 30 June 2003								
Balance at 1 April 2003	267,485	336,359	3,228	792,892	1,703,743	(16,036)	53,497	3,141,168
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	-	161	-	-	161
Currency translation difference	-	-	-	1,099	-	24,937	-	26,036
Net gains not recognised in the profit statement	-	-	-	1,099	161	24,937	-	26,197
Issue of shares upon exercise of share options	385	2,273	-	-	-	-	-	2,658
Attributable profit	-	-	-	-	30,432	-	-	30,432
Dividends: Interim dividend for the year, paid	-	-	-	-	(76)	-	(53,497)	(53,573)
Balance at 30 June 2003	267,870	338,632	3,228	793,991	1,734,260	8,901	-	3,146,882

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)****Company**

	Share Capital \$'000	Share Premium \$'000	Capital Redemption Reserve \$'000	Capital Reserve \$'000	Revenue Reserve \$'000	Dividend Reserve \$'000	Total \$'000
<u>3rd Quarter ended 30 June 2004</u>							
Balance at 1 April 2004	231,301	139,407	3,228	1,039,274	1,387,177	46,260	2,846,647
Issue of shares upon exercise of share options	39	211	-	-	-	-	250
Attributable profit	-	-	-	-	4,861	-	4,861
Dividends: Interim dividend for the year, paid	-	-	-	-	(5)	(46,260)	(46,265)
Balance at 30 June 2004	231,340	139,618	3,228	1,039,274	1,392,033	-	2,805,493
<u>3rd Quarter ended 30 June 2003</u>							
Balance at 1 April 2003	267,485	336,359	3,228	1,231,911	1,250,678	53,497	3,143,158
Issue of shares upon exercise of share options	385	2,273	-	-	-	-	2,658
Attributable profit	-	-	-	-	31,851	-	31,851
Dividends: Interim dividend for the year, paid	-	-	-	-	(76)	(53,497)	(53,573)
Balance at 30 June 2003	267,870	338,632	3,228	1,231,911	1,282,453	-	3,124,094

STATEMENT OF CHANGES IN EQUITY
Group

	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9 Months ended 30 June 2004								
Balance at 1 October 2003	230,517	135,111	3,228	650,750	1,755,025	(4,495)	69,155	2,839,291
Revaluation surplus on investment and properties for sale realised	-	-	-	(30,743)	2,167	-	-	(28,576)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	(30)	532	-	-	502
Transfer to distributable reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	(229)	229	-	-	-
Currency translation difference	-	-	-	932	-	2,696	-	3,628
Net (losses)/gains not recognised in the profit statement	-	-	-	(30,070)	2,928	2,696	-	(24,446)
Issue of shares upon exercise of share options	823	4,507	-	-	-	-	-	5,330
Attributable profit	-	-	-	-	188,557	-	-	188,557
Dividends:								
Additional dividends due to exercise of share options	-	-	-	-	(227)	-	227	-
Final dividend for the previous year, paid	-	-	-	-	-	-	(69,382)	(69,382)
Interim dividend for the year, paid	-	-	-	-	(46,265)	-	-	(46,265)
Balance at 30 June 2004	231,340	139,618	3,228	620,680	1,900,018	(1,799)	-	2,893,085



STATEMENT OF CHANGES IN EQUITY (cont'd)

Group

	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9 Months ended 30 June 2003								
Balance at 1 October 2002	266,995	333,472	3,228	732,264	1,617,080	(20,249)	53,399	2,986,189
Revaluation surplus arising from revaluation of investment	-	-	-	60,651	-	-	-	60,651
Revaluation surplus on properties for sale realised	-	-	-	(1,400)	1,400	-	-	-
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	-	161	-	-	161
Transfer to non-distributable reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	60	(60)	-	-	-
Currency translation difference	-	-	-	2,416	-	29,150	-	31,566
Net gains not recognised in the profit statement	-	-	-	61,727	1,501	29,150	-	92,378
Issue of shares upon exercise of share options	875	5,160	-	-	-	-	-	6,035
Attributable profit	-	-	-	-	169,350	-	-	169,350
Dividends:								
Additional dividends due to exercise of share options	-	-	-	-	(98)	-	98	-
Final dividend for the previous year, paid	-	-	-	-	-	-	(53,497)	(53,497)
Interim dividend for the year, paid	-	-	-	-	(53,573)	-	-	(53,573)
Balance at 30 June 2003	267,870	338,632	3,228	793,991	1,734,260	8,901	-	3,146,882

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**

	Company						
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>9 Months ended 30 June 2004</u>							
Balance at 1 October 2003	230,517	135,111	3,228	1,229,393	1,198,464	69,155	2,865,868
Revaluation surplus realised upon disposal of subsidiary companies not recognised in the profit statement	-	-	-	(190,119)	-	-	(190,119)
Issue of shares upon exercise of share options	823	4,507	-	-	-	-	5,330
Attributable profit	-	-	-	-	240,061	-	240,061
Dividends:							
Additional dividends due to exercise of share options	-	-	-	-	(227)	227	-
Final dividend for the previous year, paid	-	-	-	-	-	(69,382)	(69,382)
Interim dividend for the year, paid	-	-	-	-	(46,265)	-	(46,265)
Balance at 30 June 2004	231,340	139,618	3,228	1,039,274	1,392,033	-	2,805,493
<u>9 Months ended 30 June 2003</u>							
Balance at 1 October 2002	266,995	333,472	3,228	1,230,996	1,271,846	53,399	3,159,936
Revaluation deficit realised upon disposal of investment not recognised in the profit statement	-	-	-	915	-	-	915
Issue of shares upon exercise of share options	875	5,160	-	-	-	-	6,035
Attributable profit	-	-	-	-	64,278	-	64,278
Dividends:							
Additional dividends due to exercise of share options	-	-	-	-	(98)	98	-
Final dividend for the previous year, paid	-	-	-	-	-	(53,497)	(53,497)
Interim dividend for the year, paid	-	-	-	-	(53,573)	-	(53,573)
Balance at 30 June 2003	267,870	338,632	3,228	1,231,911	1,282,453	-	3,124,094

- 1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<u>3rd Quarter to 30/6/2004</u>	<u>2nd Quarter to 31/3/2004</u>
Issue and fully paid ordinary shares of \$1.00 each:		
As at beginning of period	231,301,119	230,698,916
Issued during the period - Exercise of share options	38,839	602,203
As at end of period	<u>231,339,958</u>	<u>231,301,119</u>
	<u>As at 30/6/2004</u>	<u>As at 30/6/2003</u>
The number of shares that may be issued on exercise of share options outstanding at the end of the period	<u>5,729,955</u>	<u>5,502,788</u>

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3rd Quarter to 30/6/2004	3rd Quarter to 30/6/2003	9 Months to 30/6/2004	9 Months to 30/6/2003
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	17.6	17.6	71.3	70.4
- after exceptional items	28.4	11.4	81.6	63.3
(b) On a fully diluted basis (cents)				
- before exceptional items	17.3	17.5	70.3	70.2
- after exceptional items	28.0	11.3	80.6	63.1
	\$'000	\$'000	\$'000	\$'000
Attributable profit after exceptional items	65,609	30,432	188,557	169,350
Change in attributable profit due to dilutive share options of subsidiary companies	(264)	(26)	(856)	(244)
Adjusted attributable profit after exceptional items	65,345	30,406	187,701	169,106

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	As at 30/6/2004	As at 30/9/2003	As at 30/6/2004	As at 30/9/2003
Net asset value per ordinary share based on issued share capital	\$12.51	\$12.32	\$12.13	\$12.43

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF PERFORMANCE

The principal activities of the group are:-

- (i) production and sale of soft drinks, beer, stout, dairy products and glass containers,
- (ii) development of and investment in property, and
- (iii) printing, publishing and the provision of education services.

These activities are carried out through the Company's subsidiary, joint venture and associated companies to which the Company also provides management and administrative services.

Group Profit Statement

Quarter ended 30 June 2004

The Group

The Directors are pleased to report that EPS (earnings per share before exceptional items) of 17.6 cents for the 3rd quarter to 30 June 2004 has been achieved despite a 13% decline in attributable profit (before exceptional items) from \$47 million to \$40.8 million.

Group revenue of \$812 million has also been maintained on strong growth in revenue by Breweries partially offset by lower Development Property sales.

Share of profits of joint venture and associated companies were boosted by contributions from a recently-acquired 21% shareholding in Kingway Brewery Holdings Ltd (held by Asia Pacific Breweries Limited) and Shanghai Hua Li Holdings Pte Ltd. However, PBIT (profit before interest and tax) declined by 4% to \$101.3 million with income from investments lower by 79% following the disposal of our shareholdings in OCBC Bank (in September 2003) and Coca-Cola Amatil (in April 2004) and losses in start ups in dairies in Vietnam and the glass plant in Sichuan.

Soft Drinks

PBIT increased by 12% on the back of a 3% increase in sales volume, better margins and lower operating expenses.

Dairies

Revenue increased by 8% with sales growth in Singapore, Malaysia and Thailand. However, PBIT declined 39% to \$3.7 million, as a result of start up losses in Vietnam and high raw material prices.

Glass Containers

Revenue for the quarter was affected by the closure of furnaces for re-building and declined by 3% over the corresponding period last year. Sales in the new plant in Sichuan, China continued to grow albeit at low selling prices and start up losses were incurred. Coupled with high fuel cost affecting all glass operations, PBIT dropped to \$1 million for the quarter.

Breweries

Revenue of \$376.7 million for the quarter grew strongly by 16% over the corresponding period last year. The ownership and management of the Breweries' operations in China have been streamlined with effect from 1 April 2004 under Heineken-APB (China) Pte Ltd and Heineken beer for the China market is now brewed locally in the Shanghai brewery.

PBIT increased by 47% to \$40.4 million for the quarter. The strong revenue growth, contributions from Kingway Brewery, effective cost management measures in Singapore, a write-back of sales tax provision in Malaysia, the strong PNG Kina, and NZ dollar, and higher sales in Myanmar, Indochina and China, all led to the sterling performance.

Printing and Publishing

Revenue and PBIT declined by 17% and 59% respectively as there were no launches of new partworks in the quarter, and due to cessation of loss-making operations at TPL Printers (UK) and lower sales in the US and Australia.

Investment Property

Rental income slipped a marginal 2% for the quarter despite the soft market for office space and industrial leases. These negative market factors were mitigated by early initiatives taken by management to reduce operating costs and PBIT was maintained at the same level as the corresponding period last year.

Development Property

The decline in revenue from Development Property is in line with the weak Singapore residential property market. Notwithstanding this, PBIT was maintained due to progressive recognition of profits on properties sold in previous years.

9 Months Ended 30 June 2004**The Group**

Revenue for the 9 months ended 30 June 2004 of \$2.5 billion slipped \$193.4 million, without the sale proceeds of \$184.3 million from the securitisation last year of Compass Point. PBIT of \$397.9 million is 4% lower than last year. However, EPS grew 1% to 71.3 cents.

Group Balance Sheet

Properties under development increased by \$421.6 million over the last financial year end reflecting the replenishment of the group's development land bank and ongoing construction works, less progress payments received. The increases in Associated companies and Intangible assets are due to the group's investments in Kingway Brewery Holdings Ltd, TSM Resources Ltd and Fung Choi Printing and Packaging Group Limited, and goodwill on consolidation.

The change in Trade debtors is due to progress payments collected from residential developments sold. The reduction in Short term investments is due to disposals.

Group Cash Flows

The group cash flows for the quarter are shown in the group cash flow statements presented under paragraph 1(c).

The group sold its holding of shares in Coca-Cola Amatil Limited for \$253.0 million and realised an exceptional gain of \$29.4 million.

Net increase in cash and cash equivalents during the 3rd quarter was \$0.3 million.

9. **Where as forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

OUTLOOK

Soft Drinks, Dairies and Glass Containers

Economic conditions and consumer sentiment in Malaysia remain favourable. Coupled with the reinstated capacity of the rebuilt furnaces in the glassworks, sales volumes and operating performance are expected to improve.

Breweries

With the recovering Asian economies and positive momentum generated in the financial performance to date, barring unforeseen circumstances, attributable profit (before exceptional items) from Breweries for the full year is expected to be higher than last year.

The recent unconditional general offer to acquire all the shares in DB Breweries Limited which APBL does not already own, should, if successful have a positive impact on future results.

Properties

The impact of recent news of a recovery in the Singapore economy on the residential property market has been limited. Steps taken to replenish its development land bank would result in new launches at competitive prices and reasonable margins that can underpin future profitability. There are emerging signs of improving office rentals.

Diversification into China is expected to support profit growth.

Fraser & Neave Holdings Bhd's maiden property development project, Fraser Park at Jalan Foss, Kuala Lumpur is expected to contribute to revenue and profit in the coming year.

Printing and Publishing

Publishing activity is expected to pick up in the last quarter, in line with the curriculum publishing cycle and rescheduled directory publication. Year end demand is expected to increase printing activities.



11. Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on? No.

(b) *Corresponding period of the immediately preceding financial year*

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) *Date payable*

Not applicable.

(d) *Book closure date*

Not applicable.

12. If no dividend has been declared or recommended, a statement to that effect.

No dividend has been declared for the current financial period.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng
Group Company Secretary

13 August 2004