

APB's Attributable Profit Increases by 19% for Q1 2004/05 for APB

- **Attributable profit increased 19% to \$34.3 million**
- **Placed 18th in 'Singapore's Top 100 Companies Ranked by Highest Overseas Revenue' following a successful regionalisation programme commenced in 1989**
- **Local production of *Tiger Beer* in Thailand**
- **New *Tiger Crystal Lite* launched in Shanghai**
- **Brings continuous excitement to the Asian sports scene with Tiger Cup and Tiger Skins**

Singapore, 11 February 2005 - Strong growth in attributable profit characterised Asia Pacific Breweries' (APB) first quarter of 2004/05 which ended on 31 December 2004.

Attributable profit (before exceptional items) **increased 19% or \$5.4 million** from \$28.9 million to **\$34.3 million**.

Said Mr Koh Poh Tiong, Chief Executive Officer, APB, "APB has benefited from strong growth in sales in the key markets where we are present. It is our intention to build on the momentum gained from this quarter's results. *Tiger Beer* continues to make inroads into both Europe and the USA, in addition to our neighbouring countries."

Since APB embarked on a regionalisation drive in 1989, a large proportion of its PBIT is derived from its overseas operations. Prior to 1989, the Singapore operations contributed 68% of Group PBIT. However, for the financial year ended 30 September 2004, only 13% of PBIT arose from the Singapore operations (including Singapore corporate expenses) with the remaining 87% attributed to its 16 breweries outside Singapore including those in New Zealand, Papua New Guinea, Thailand, Malaysia, Indochina (ie Vietnam and Cambodia) and China.

APB's flagship brand, *Tiger Beer*, has made inroads in many markets. *Tiger Beer's* stronghold markets include Singapore, Vietnam, Malaysia and Cambodia. A firm favourite with both locals and expatriates in Singapore, sales have shown strong growth in the USA and Canada and Europe including Germany, Ireland as well as Australia, New Zealand and the Middle East.

APB's strong performance in overseas markets has led International Enterprise Singapore to rank it No 18 on its list of **Singapore's Top 100 companies ranked by the highest overseas revenue**. This accolade was conferred on APB a week ago on 2 February 2005.

Much of its success in overseas as well as the local market lies in APB's successful marketing of *Tiger Beer*. In July 2004, APB successfully introduced local production of *Tiger Beer* in Thailand. The beer has since been distributed throughout Thailand while a strong marketing campaign has been rolled out to support the brand.

Over in China, a new *Tiger Beer* variant was introduced in Shanghai. *Tiger Crystal Lite*, a smooth, refreshing and crisp beer that has been brewed to suit local taste, is positioned in the premium light beer segment.

As part of its brand building activities, *Tiger Beer* has brought much excitement to the public in the form of the Tiger Cup where Singapore emerged triumphant after an exciting final round of soccer played on home ground. The next upcoming sporting event brought by *Tiger Beer* will be Tiger Skins that promises golf enthusiasts who travel to Phuket for the popular event held from April 16 to 17 2005, two days of fun and pro-am golf. The event has been moved to Phuket in a bid to draw overseas travellers to the resort. Tourists will be able to see Retief Goosen and Se Ri Pak play at the Blue Canyon Country Club. All the players will be contributing their prize money to victims of the Tsunami catastrophe.

- end -

Operations

Singapore

Sales grew 11%

PBIT improved 30%

Improvement in PBIT attributed mainly to higher export sales and effective cost management.

New Zealand

Sales grew 3%

PBIT improved 27%

PBIT grew mainly due to better sales and stronger NZ\$. The stronger NZ\$ accounted for 6% of the increase in PBIT.

Papua New Guinea

Sales grew 6%

PBIT improved 35%

Higher selling prices and a favourable sales mix are factors that led to a higher PBIT.

Thailand

Sales grew 23%

PBIT improved 23%

The strong sales is attributed to the increase in the number of draft beer outlets.

Malaysia

Sales dropped by 18%

PBIT fell 20%

The decline in sales is caused by weak consumer sentiments following hefty duty increases on beer.

Indochina

Sales dropped 6%

PBIT declined 17%

Cambodia continued to show strong sales though that for Vietnam was weaker than the corresponding quarter of the previous year. The main reason for this is that the 1st quarter of the previous year witnessed an early Tet that resulted in strong sales for Vietnam; however Tet falls in the 2nd quarter of 2005. PBIT for the period in review thereby declined accordingly.

China

Losses dropped 27%

China's losses have been reduced by 27% due to strong sales from both operations in Shanghai and Hainan, Heineken Trading Shanghai and our 21% stake in Kingway Brewery Holdings Ltd, an associate company of Heineken-APB (China) Pte Ltd, a holding company for all of APB's investments in China.