



ASIA PACIFIC BREWERIES LIMITED

(Company Registration No. 193100007-K)
(Incorporated in the Republic of Singapore)

RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2006 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 2006.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF 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) GROUP PROFIT STATEMENT

	2nd Quarter to 31/3/2006 \$'000	2nd Quarter to 31/3/2005 (Restated) \$'000	Change %	6 Months to 31/3/2006 \$'000	6 Months to 31/3/2005 (Restated) \$'000	Change %
Revenue	356,577	344,405	3.5	809,640	758,965	6.7
Cost of sales	(220,507)	(205,509)	7.3	(485,126)	(450,277)	7.7
Gross profit	136,070	138,896	(2.0)	324,514	308,688	5.1
Operating expenses						
- Distribution	(12,374)	(11,714)	5.6	(26,910)	(24,189)	11.2
- Marketing	(37,008)	(47,750)	(22.5)	(110,077)	(119,633)	(8.0)
- Administration	(24,855)	(24,602)	1.0	(54,461)	(50,521)	7.8
	(74,237)	(84,066)	(11.7)	(191,448)	(194,343)	(1.5)
Trading profit	61,833	54,830	12.8	133,066	114,345	16.4
Share of joint venture and associated companies' profits	1,924	4,675	(58.8)	6,444	11,482	(43.9)
Gross income from investments	644	1,081	(40.4)	2,104	1,772	18.7
Profit before interest, taxation and exceptional items	64,401	60,586	6.3	141,614	127,599	11.0
Net interest income	224	1,194	(81.2)	269	1,925	(86.0)
Profit before taxation and exceptional items	64,625	61,780	4.6	141,883	129,524	9.5
Exceptional items	(493)	(1,640)	(69.9)	699	(2,176)	NM
Profit before taxation	64,132	60,140	6.6	142,582	127,348	12.0
Taxation	(15,336)	(16,065)	(4.5)	(40,816)	(38,897)	4.9
Profit after taxation	48,796	44,075	10.7	101,766	88,451	15.1
Attributable profit to: Shareholders of the Company						
- Before exceptional items	38,451	36,576	5.1	77,887	70,566	10.4
- Exceptional items	(479)	(1,627)	(70.6)	728	(2,203)	NM
	37,972	34,949	8.6	78,615	68,363	15.0
Minority interests	10,824	9,126	18.6	23,151	20,088	15.2
	48,796	44,075	10.7	101,766	88,451	15.1

NM - Not meaningful

1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO GROUP PROFIT STATEMENT

		Group					
		2nd Quarter to 31/3/2006	2nd Quarter to 31/3/2005 (Restated)	Change	6 Months to 31/3/2006	6 Months to 31/3/2005 (Restated)	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Investment income							
(A)	Gross income from investments	644	1,081	(40.4)	2,104	1,772	18.7
Net interest income							
(B)	Interest income	1,434	1,765	(18.8)	2,499	3,030	(17.5)
(C)	Interest expenses	(1,210)	(571)	111.9	(2,230)	(1,105)	101.8
		224	1,194	(81.2)	269	1,925	(86.0)
Operating expenses							
Included in operating expenses are:							
(D)	Depreciation & amortisation	(11,301)	(11,252)	0.4	(22,705)	(20,951)	8.4
(E)	Provision for doubtful debts & bad debts written off	(41)	(343)	(88.0)	(24)	(745)	(96.8)
(F)	Write (off)/back for inventory obsolescence	(2)	36	N/M	20	(46)	NM
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange loss	(1,286)	(803)	60.1	(1,682)	(1,031)	63.1
(I)	(Loss)/profit on sale of fixed assets	(157)	39	NM	88	176	(50.0)
(J)	Employee share-based expense	(346)	(304)	13.8	(696)	(602)	15.6
Taxation							
(J)	Over provision of prior year taxation	1,307	998	31.0	1,307	981	33.2
Exceptional items							
	Gain on disposal of investments/properties	-	173	(100.0)	1,847	332	456.3
	Share of restructuring cost of joint venture companies	(111)	(77)	44.2	(163)	(172)	(5.2)
	Professional fee	(382)	(1,736)	(78.0)	(985)	(2,336)	(57.8)
		(493)	(1,640)	(69.9)	699	(2,176)	NM
(L)	Extraordinary items	-	-	-	-	-	-
(M)	Profit before interest, taxation and exceptional items as a percentage of revenue	18.1%	17.6%		17.5%	16.8%	

NM - Not meaningful

1(a)(iii) ADDITIONAL INFORMATION

GROUP REVENUE AND PROFIT ANALYSIS

	2nd Quarter to 31/3/2006 \$'000	2nd Quarter to 31/3/2005 (Restated) \$'000	6 months to 31/3/2006 \$'000	6 months to 31/3/2005 (Restated) \$'000
Revenue				
By Business Activity				
Brewery operations - subsidiary companies	355,943	343,756	808,368	757,625
Corporate office	634	649	1,272	1,340
	<u>356,577</u>	<u>344,405</u>	<u>809,640</u>	<u>758,965</u>
By Territory				
Singapore	106,473	107,593	227,526	214,935
Papua New Guinea	36,299	29,493	82,322	66,613
New Zealand	75,239	99,923	210,253	233,543
Indochina	135,764	106,747	284,474	242,534
Sri Lanka/Mongolia	2,168	-	3,793	-
Corporate office	634	649	1,272	1,340
	<u>356,577</u>	<u>344,405</u>	<u>809,640</u>	<u>758,965</u>
Profit before interest, taxation and exceptional items				
By Business Activity				
Brewery operations				
- subsidiary companies	60,879	54,706	138,056	125,326
- joint venture and associated companies	1,924	4,675	6,444	11,482
Investment income	644	1,081	2,104	1,772
Corporate office	954	124	(4,990)	(10,981)
	<u>64,401</u>	<u>60,586</u>	<u>141,614</u>	<u>127,599</u>
By Territory				
Singapore	12,326	13,075	22,353	23,864
Malaysia	3,268	3,261	8,032	7,681
Papua New Guinea	8,044	6,152	19,410	15,007
New Zealand	12,657	13,333	38,093	38,651
Indochina	30,809	25,057	64,371	53,422
China	(3,663)	(2,918)	(6,143)	(5,453)
Thailand	681	2,502	1,502	5,408
Sri Lanka/Mongolia	(675)	-	(1,014)	-
Corporate office	954	124	(4,990)	(10,981)
	<u>64,401</u>	<u>60,586</u>	<u>141,614</u>	<u>127,599</u>
Attributable profit				
By Business Activity				
Brewery operations				
- subsidiary companies	36,142	33,581	80,203	74,514
- joint venture and associated companies	312	2,335	3,070	6,432
Investment income	432	725	1,470	1,188
Corporate office	1,565	(65)	(6,856)	(11,568)
	<u>38,451</u>	<u>36,576</u>	<u>77,887</u>	<u>70,566</u>
Exceptional items	(479)	(1,627)	728	(2,203)
	<u>37,972</u>	<u>34,949</u>	<u>78,615</u>	<u>68,363</u>

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

	Group		Company	
	As at 31/3/006 \$'000	As at 30/9/2005 (Restated) \$'000	As at 31/3/006 \$'000	As at 30/9/2005 (Restated) \$'000
Fixed assets	507,987	525,840	1,941	1,989
Subsidiary companies	-	-	580,572	576,891
Joint venture companies	261,189	263,612	261,554	253,155
Associated company	377	445	-	-
Other investments	35,850	41,532	28	589
Intangibles	100,744	100,958	4,053	4,267
Deferred tax assets	1,016	1,201	-	-
CURRENT ASSETS				
Inventories	81,928	91,108	-	-
Trade debtors	103,824	94,012	-	-
Other debtors	41,379	21,744	1,561	5,734
Amounts due from subsidiary companies	-	-	30,427	26,122
Amounts due from joint venture companies	20,828	18,440	20,796	18,342
Amounts due from related companies	1,138	863	180	195
Short term investments	11,955	11,481	-	-
Bank fixed deposits	82,433	72,218	20,018	1,930
Cash and bank balances	44,025	30,610	849	1,022
	387,510	340,476	73,831	53,345
Deduct: CURRENT LIABILITIES				
Trade creditors	117,088	116,770	25	-
Other creditors	80,107	99,007	10,083	25,562
Amounts due to subsidiary company	-	-	30,000	-
Amounts due to joint venture companies	2,124	4,378	-	1,740
Amounts due to related and associated companies	23,742	18,536	9,112	6,832
Bank borrowings	68,577	38,029	-	-
Provision for taxation	36,625	30,118	10,688	8,638
	328,263	306,838	59,908	42,772
NET CURRENT ASSETS	59,247	33,638	13,923	10,573
	966,410	967,226	862,071	847,464
Deduct: DEFERRED LIABILITIES				
Bank borrowings	-	1,995	-	-
Deferred tax liabilities	25,168	23,900	-	-
Provision for employee benefits	3,107	2,967	-	-
	28,275	28,862	-	-
	938,135	938,364	862,071	847,464
Financed by:				
Share capital	268,408	256,405	268,408	256,405
Reserves	592,508	608,117	593,663	591,059
	860,916	864,522	862,071	847,464
Minority interests	77,219	73,842	-	-
	938,135	938,364	862,071	847,464

- 1(b)(ii) **Aggregate amount of Group's borrowings and debt securities.**
 The Group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

	As at 31/3/2006	As at 30/9/2005
	\$'000	\$'000
Secured :	4,300	1,324
Unsecured :	64,277	36,705
	<u>68,577</u>	<u>38,029</u>

Amount repayable after one year

	As at 31/3/2006	As at 30/9/2005
	\$'000	\$'000
Secured :	-	1,995
Unsecured :	-	-
	<u>-</u>	<u>1,995</u>

Details of any collateral

The secured borrowings as at 31 March 2006 are secured on the assets of the borrowing subsidiary 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.

GROUP CASH FLOW STATEMENT

	2nd Quarter to 31/3/2006	2nd Quarter to 31/3/2005 (Restated)	6 Months to 31/3/2006	6 Months to 31/3/2005 (Restated)
	\$'000	\$'000	\$'000	\$'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before taxation and exceptional items	64,625	61,780	141,883	129,524
Adjustment for:				
Depreciation of fixed assets	11,194	11,145	22,491	20,738
Provision for employee benefits	163	126	383	257
Amortisation of brand	107	107	214	213
Share of joint venture and associated companies' profits	(1,924)	(4,675)	(6,444)	(11,482)
Net interest income	(224)	(1,194)	(269)	(1,925)
Investment income	(644)	(1,081)	(2,104)	(1,772)
Provision for fixed assets write (back)/off	(242)	(278)	67	(246)
(Gain)/loss on disposal of fixed assets	157	(39)	(88)	(176)
Fair value gain on derivatives	(433)	-	(775)	-
Employee share-based expense	346	304	696	602
Operating cash before working capital changes	73,125	66,195	156,054	135,733
Change in inventories	6,045	573	9,180	3,261
Change in trade and other debtors	49,779	35,023	(29,384)	(18,277)
Change in trade and other creditors	(60,259)	(39,754)	(20,845)	21,060
Change in related companies' balances	(4,131)	(10,623)	289	(9,679)
Currency realignment	(1,197)	59	(1,032)	1,531
Cash generated from operations	63,362	51,473	114,262	133,629
Net interest received	108	737	476	1,283
Employee benefits paid	(31)	(54)	(114)	(87)
Income taxes paid	(14,658)	(16,383)	(27,594)	(29,689)
Net cash from operating activities	48,781	35,773	87,030	105,136
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Dividends from joint venture companies	1,594	1,556	8,800	8,503
Investment income	670	876	2,230	1,569
Proceeds from disposal of fixed assets	164	116	1,690	665
Proceeds from sale of investments	-	-	2,407	4,545
Purchase of fixed assets	(9,675)	(14,965)	(40,012)	(28,810)
Loans to joint venture company	(8,150)	(700)	(8,992)	(5,550)
Repayment of/(additional) trade advance	284	(163)	(3,901)	(7,802)
Purchase of minorities' shares in a subsidiary company	-	-	-	(2,842)
Net cash used in investing activities	(15,113)	(13,280)	(37,778)	(29,722)

GROUP CASH FLOW STATEMENT (cont'd)

	2nd Quarter to 31/3/2006 \$'000	2nd Quarter to 31/3/2005 (Restated) \$'000	6 Months to 31/3/2006 \$'000	6 Months to 31/3/2005 (Restated) \$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares by the company	1,461	858	2,020	1,422
Proceeds from issue of shares by a subsidiary company	660	-	735	-
(Repayment) of/proceeds from bank borrowings	(2,454)	(5,608)	33,007	(4,266)
Payment of dividends:				
- by parent company to shareholders	(41,083)	(35,805)	(41,083)	(35,805)
- by subsidiaries to minority interests	(1,887)	(3,186)	(16,087)	(3,467)
Net cash used in financing activities	(43,303)	(43,741)	(21,408)	(42,116)
Net (decrease)/increase in cash and cash equivalents	(9,635)	(21,248)	27,844	33,298
Cash and cash equivalents at beginning of period	138,040	165,045	102,146	112,898
Effects of exchange rate changes on cash and cash equivalents	(2,084)	531	(3,669)	(1,868)
Cash and cash equivalents at end of period	126,321	144,328	126,321	144,328
Cash and cash equivalents at end of period consist of:				
Bank fixed deposits	82,433	122,935	82,433	122,935
Cash and bank balances	44,025	21,472	44,025	21,472
Bank overdrafts	(137)	(79)	(137)	(79)
	126,321	144,328	126,321	144,328

- 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 \$'000	Share Premium \$'000	Capital Reserve \$'000	Revenue Reserve \$'000	Exchange Reserve \$'000	Dividend Reserve \$'000	Other Reserves \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
6 Months ended 31 March 2006										
Balance at 1 October 2005										
- As previously reported	256,405	9,983	15,799	584,435	(42,430)	41,025	-	865,217	73,842	939,059
- Effect of adopting FRS 102	-	-	-	(1,767)	-	-	1,072	(695)	-	(695)
- As restated	256,405	9,983	15,799	582,668	(42,430)	41,025	1,072	864,522	73,842	938,364
Effect of adopting FRS 39	-	-	-	(1,189)	-	-	1,184	(5)	(500)	(505)
	256,405	9,983	15,799	581,479	(42,430)	41,025	2,256	864,517	73,342	937,859
Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies	-	-	-	-	(42,203)	-	-	(42,203)	(4,367)	(46,570)
Disposal of available-for-sale financial assets	-	-	-	-	-	-	(1,851)	(1,851)	-	(1,851)
Net change in fair value of cashflow hedge	-	-	-	-	-	-	667	667	445	1,112
Net losses not recognised in the profit statement	-	-	-	-	(42,203)	-	(1,184)	(43,387)	(3,922)	(47,309)
Contribution of share capital by minority interests	-	-	-	-	-	-	-	-	735	735
Issue of shares in the Company upon exercise of Executives' Share Options	728	1,292	-	-	-	-	-	2,020	-	2,020
Transfer to share capital *	11,275	(11,275)	-	-	-	-	-	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(16,087)	(16,087)
Employee share-based expense	-	-	-	-	-	-	234	234	-	234
Profit after taxation	-	-	-	78,615	-	-	-	78,615	23,151	101,766
Dividends										
Additional dividend due to exercise of share options	-	-	-	(58)	-	58	-	-	-	-
Final dividend paid for the previous year	-	-	-	-	-	(41,083)	-	(41,083)	-	(41,083)
Interim dividend proposed for the year	-	-	-	(35,957)	-	35,957	-	-	-	-
	-	-	-	(36,015)	-	(5,068)	-	(41,083)	-	(41,083)
Balance at 31 March 2006	268,408	-	15,799	624,079	(84,633)	35,957	1,306	860,916	77,219	938,135
6 Months ended 31 March 2005										
Balance at 1 October 2004										
- As previously reported	255,450	6,917	15,799	545,146	(52,416)	35,763	-	806,659	63,096	869,755
- Effect of adopting FRS 102	-	-	-	(536)	-	-	536	-	-	-
- As restated	255,450	6,917	15,799	544,610	(52,416)	35,763	536	806,659	63,096	869,755
Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies	-	-	-	-	(1,364)	-	-	(1,364)	(970)	(2,334)
Net losses not recognised in the profit statement	-	-	-	-	(1,364)	-	-	(1,364)	(970)	(2,334)
Change in group structure	-	-	-	-	-	-	-	-	(978)	(978)
Issue of shares in the Company upon exercise of Executives' Share Option	367	1,055	-	-	-	-	-	1,422	-	1,422
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(3,468)	(3,468)
Employee share-based expense	-	-	-	-	-	-	264	264	-	264
Profit after taxation	-	-	-	68,363	-	-	-	68,363	20,088	88,451
Dividends										
Additional dividend due to exercise of share options	-	-	-	(42)	-	42	-	-	-	-
Final dividend paid for the previous year	-	-	-	-	-	(35,805)	-	(35,805)	-	(35,805)
Interim dividend proposed for the year	-	-	-	(35,814)	-	35,814	-	-	-	-
	-	-	-	(35,856)	-	51	-	(35,805)	-	(35,805)
Balance at 31 March 2005	255,817	7,972	15,799	577,117	(53,780)	35,814	800	839,539	77,768	917,307

* In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the Share Premium has been combined into the Share Capital Account.

STATEMENT OF CHANGES IN EQUITY (cont'd)

	Company						Total \$'000
	Share Capital \$'000	Share Premium \$'000	Revenue Reserve \$'000	Exchange Reserve \$'000	Dividend Reserve \$'000	Other Reserve \$'000	
6 Months ended 31 March 2006							
Balance at 1 October 2005							
- As previously reported	256,405	9,983	541,196	(450)	41,025	-	848,159
- Effect of adopting FRS 102	-	-	(1,767)	-	-	1,072	(695)
- Effect of adopting FRS 21	-	-	(450)	450	-	-	-
- As restated	256,405	9,983	538,979	-	41,025	1,072	847,464
Effect of adopting FRS 39	-	-	(112)	-	-	1,851	1,739
	256,405	9,983	538,867	-	41,025	2,923	849,203
Issue of shares in the Company upon exercise of Executives' Share Options	728	1,292	-	-	-	-	2,020
Transfer to share capital *	11,275	(11,275)	-	-	-	-	-
Employee share-based expense	-	-	-	-	-	234	234
Disposal of available-for-sale financial assets	-	-	-	-	-	(1,851)	(1,851)
Profit after taxation	-	-	53,548	-	-	-	53,548
<u>Dividends</u>							
Additional dividend due to exercise of Executives' Share Options	-	-	(58)	-	58	-	-
Final dividend paid for the previous year	-	-	-	-	(41,083)	-	(41,083)
Interim dividend proposed for the year	-	-	(35,957)	-	35,957	-	-
	-	-	(36,015)	-	(5,068)	-	(41,083)
Balance at 31 March 2006	268,408	-	556,400	-	35,957	1,306	862,071
6 Months ended 31 March 2005							
Balance at 1 October 2004							
- As previously reported	255,450	6,917	528,539	(450)	35,763	-	826,219
- Effect of adopting FRS 102	-	-	(536)	-	-	536	-
- Effect of adopting FRS 21	-	-	(450)	450	-	-	-
- As restated	255,450	6,917	527,553	-	35,763	536	826,219
Issue of shares in the Company upon exercise of Executives' Share Options	367	1,055	-	-	-	-	1,422
Employee share-based expense	-	-	-	-	-	264	264
Profit after taxation	-	-	53,771	-	-	-	53,771
<u>Dividends</u>							
Additional dividend due to exercise of Executives' Share Options	-	-	(42)	-	42	-	-
Final dividend paid for the previous year	-	-	-	-	(35,805)	-	(35,805)
Interim dividend proposed for the year	-	-	(35,814)	-	35,814	-	-
	-	-	(35,856)	-	51	-	(35,805)
Balance at 31 March 2005	255,817	7,972	545,468	-	35,814	800	845,871

* In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the Share Premium has been combined into the Share Capital Account.

STATEMENT OF CHANGES IN EQUITY

	Group									
	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Exchange Reserves \$'000	Dividend Reserves \$'000	Other Reserves \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
2nd Quarter ended 31 March 2006										
Balance at 1 January 2006	256,523	10,424	15,799	622,122	(54,399)	41,025	1,199	892,693	70,399	963,092
Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies	-	-	-	-	(30,234)	-	-	(30,234)	(2,777)	(33,011)
Net losses not recognised in the profit statement	-	-	-	-	(30,234)	-	-	(30,234)	(2,777)	(33,011)
Contribution of share capital by minority interests	-	-	-	-	-	-	-	-	660	660
Issue of shares in the Company upon exercise of Executives' Share Options	610	851	-	-	-	-	-	1,461	-	1,461
Transfer to share capital *	11,275	(11,275)	-	-	-	-	-	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(1,887)	(1,887)
Employee share-based expense	-	-	-	-	-	-	107	107	-	107
Profit after taxation	-	-	-	37,972	-	-	-	37,972	10,824	48,796
Dividends										
Additional dividend due to exercise of share options	-	-	-	(58)	-	58	-	-	-	-
Final dividend paid for the previous year	-	-	-	-	-	(41,083)	-	(41,083)	-	(41,083)
Interim dividend proposed for the year	-	-	-	(35,957)	-	35,957	-	-	-	-
	-	-	-	(36,015)	-	(5,068)	-	(41,083)	-	(41,083)
Balance at 31 March 2006	268,408	-	15,799	624,079	(84,633)	35,957	1,306	860,916	77,219	938,135
2nd Quarter ended 31 March 2005										
Balance at 1 January 2005										
- As previously reported	255,592	7,339	15,799	578,838	(57,287)	35,783	-	836,064	70,116	906,180
- Effect of adopting FRS 102	-	-	-	(834)	-	-	670	(164)	-	(164)
- As restated	255,592	7,339	15,799	578,004	(57,287)	35,783	670	835,900	70,116	906,016
Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies	-	-	-	-	3,507	-	-	3,507	624	4,131
Net losses not recognised in the profit statement	-	-	-	-	3,507	-	-	3,507	624	4,131
Issue of shares in the Company upon exercise of Executives' Share Options	225	633	-	-	-	-	-	858	-	858
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(2,098)	(2,098)
Employee share-based expense	-	-	-	-	-	-	130	130	-	130
Profit after taxation	-	-	-	34,949	-	-	-	34,949	9,126	44,075
Dividends										
Additional dividend due to exercise of share options	-	-	-	(22)	-	22	-	-	-	-
Final dividend paid for the previous year	-	-	-	-	-	(35,805)	-	(35,805)	-	(35,805)
Interim dividend proposed for the year	-	-	-	(35,814)	-	35,814	-	-	-	-
	-	-	-	(35,836)	-	31	-	(35,805)	-	(35,805)
Balance at 31 March 2005	255,817	7,972	15,799	577,117	(53,780)	35,814	800	839,539	77,768	917,307

* In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the Share Premium has been combined into the Share Capital Account.

STATEMENT OF CHANGES IN EQUITY (cont'd)

	Company						Total \$'000
	Share Capital \$'000	Share Premium \$'000	Revenue Reserves \$'000	Exchange Reserves \$'000	Dividend Reserves \$'000	Other Reserves \$'000	
2nd Quarter ended 31 March 2006							
Balance at 1 January 2006	256,523	10,424	586,527	-	41,025	1,199	895,698
Issue of shares in the Company upon exercise of Executives' Share Options	610	851	-	-	-	-	1,461
Transfer to share capital *	11,275	(11,275)	-	-	-	-	-
Employee share-based expense	-	-	-	-	-	107	107
Profit after taxation	-	-	5,888	-	-	-	5,888
Dividends							
Additional dividend due to exercise of Executives' Share Options	-	-	(58)	-	58	-	-
Final dividend paid for the previous year	-	-	-	-	(41,083)	-	(41,083)
Interim dividend proposed for the year	-	-	(35,957)	-	35,957	-	-
	-	-	(36,015)	-	(5,068)	-	(41,083)
Balance at 31 March 2006	268,408	-	556,400	-	35,957	1,306	862,071

2nd Quarter ended 31 March 2005

Balance at 1 January 2005							
- As previously reported	255,592	7,339	536,588	(952)	35,783	-	834,350
- Effect of adopting FRS 102	-	-	(834)	-	-	670	(164)
- Effect of adopting FRS 21	-	-	(952)	952	-	-	-
- As restated	255,592	7,339	534,802	-	35,783	670	834,186
Issue of shares in the Company upon exercise of Executives' Share Options	225	633	-	-	-	-	858
Employee share-based expense	-	-	-	-	-	130	130
Profit after taxation	-	-	46,502	-	-	-	46,502
Dividends							
Additional dividend due to exercise of Executives' Share Options	-	-	(22)	-	22	-	-
Final dividend paid for the previous year	-	-	-	-	(35,805)	-	(35,805)
Interim dividend proposed for the year	-	-	(35,814)	-	35,814	-	-
	-	-	(35,836)	-	31	-	(35,805)
Balance at 31 March 2005	255,817	7,972	545,468	-	35,814	800	845,871

* In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the Share Premium has been combined into the Share Capital Account.

1(d)(ii) **SHARE CAPITAL**

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>Number of Shares</u>	
	2nd Quarter to 31/3/2006	1st Quarter to 31/12/2005
Issued Share Capital of ordinary shares:		
As at beginning of period	256,523,024	256,404,474
Issue during the period - Exercise of share options	313,190	118,550
	<hr/>	<hr/>
As at end of period	256,836,214	256,523,024
	<hr/> <hr/>	<hr/> <hr/>
	As at 31/3/2006	As at 31/3/2005
The number of shares that may be issued on exercise of share options outstanding at the end of the period	1,426,234	2,506,219
	<hr/> <hr/>	<hr/> <hr/>

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 financial statements, except as disclosed in note 5 below.

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.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 30 September 2005 except for the adoption of the following new Financial Reporting Standards (FRS) that are mandatory to the Group for the financial year beginning on 1 October 2005.

FRS 21 (Revised)	The Effect of Changes in Foreign Exchange Rates
FRS 39	Financial Instruments: Recognition and Measurement
FRS 102	Share-based Payment

The impact of the changes in accounting policies is as follows:

FRS 21 (Revised)

In accordance with Revised FRS 21, the translation difference arising from the foreign currency shareholder's loan (quasi-equity) given by the Company to a joint venture company has to be taken to the profit statement of the Company and has been applied retrospectively. Consequently, the cumulative exchange differences as at 1 October 2005 of \$0.45 million has been adjusted against revenue reserve of the Company. In respect of the quarter under review, the impact on the profit of the Company is a charge of \$0.4 million (Q2 2005 : credit of \$0.2 million). This adjustment has no impact on the Group.

FRS 39

In accordance with FRS 39, the financial effects arising from the measurement of financial instruments and financial assets at fair value will be recorded prospectively. Consequently, the comparatives for 2005 are not restated. The effects of implementing FRS 39 on 1 October 2005 are adjusted to Group shareholders' equity on that date. The impact is a decrease of \$5,000 in Group shareholders' equity on 1 October 2005 (made up of a reduction in hedging reserve and revenue reserve of \$667,000 and \$1,189,000 respectively offset by an increase in fair value reserve of \$1,851,000) and an increase of \$433,000 in Group attributable profit for the quarter.

FRS 102

In accordance with FRS 102, the implementation of the new standard will be recorded retrospectively and applied to share options granted after 22 November 2002 and not vested by 2005. Consequently the Group's opening reserves have been restated to take into account a cumulative charge of \$1.8 million up to 30 September 2005. The impact on the Group's attributable profit for the quarter is a charge of \$0.3 million (Q2 2005 : \$0.3 million).

In addition to the adoption of the above-mentioned FRS, the Group adopted other revisions in FRS, applicable from 1 October 2005. These do not have a material financial impact on the Group's results.

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:

- (a) based on the weighted average number of ordinary shares on issue and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2nd Quarter to 31/3/2006	2nd Quarter to 31/3/2005 (Restated)	6 Months to 31/3/2006	6 Months to 31/3/2005 (Restated)
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	15.0	14.3	30.3	27.6
- after exceptional items	14.8	13.7	30.6	26.7
(b) On a fully diluted basis (cents)				
- before exceptional items	14.9	14.3	30.3	27.5
- after exceptional items	14.8	13.6	30.6	26.7

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 31/3/2006	As at 30/9/2005 (Restated)	As at 31/3/2006	As at 30/9/2005 (Restated)
Net asset value per ordinary share based on issued share capital	\$3.35	\$3.37	\$3.36	\$3.31

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 – 2ND QUARTER

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.

Group profit before interest and tax ("PBIT") at \$64.4 million increased by \$3.8 million or 6% over last year. Without taking into account translation loss of \$0.6 million and gestation losses from new businesses of \$0.7 million, PBIT grew organically by 8% to reach \$65.7 million.

Attributable profit before exceptional items rose by \$1.9 million or 5% to reach \$38.5 million. Excluding the impact of translation and gestation losses, attributable profit before exceptional items grew by 8% to reach \$39.6 million.

Commentary on Performance for the Quarter

Singapore

Overall volume fell by 4% due mainly to lower contract brew and domestic volumes; the latter from the seasonal effect of early festive buying for Chinese New Year reported in first quarter. Furthermore, additional expenses were incurred from taking over the distribution of *Tiger* beer in the UK. As a result, PBIT declined by 6%.

Malaysia

Prevailing weak consumer sentiment from successive excise duty increases in past years has resulted in a 13% decline in volume. Despite the lower volume, PBIT was maintained at the same level as last year due to effective cost control in commercial and operating expenses.

Papua New Guinea

Driven by continued strong consumer demand, volume grew by 19%. PBIT rose by 31% on the back of strong volume growth and marginal price increases.

New Zealand

PBIT was in line with last year despite a decline in volume by 6% due to competitive pricing activity and the earlier timing of Easter sales last year. However, due to the weaker NZ dollar, PBIT in Singapore dollar terms was 5% lower than last year.

Indochina

The region continued to ride on strong momentum and volume grew 26%. All markets delivered double digit growth, and PBIT rose by 23%.

China

Our breweries in China continue to maintain double digit volume growth with *Anchor* doing particularly well. Loss before interest and tax of \$3.7 million was 26% above last year due to higher marketing investments in the *Heineken* brand.

Thailand

Volume grew by 3%. However, PBIT has been impacted by higher marketing expenses incurred to launch and build the *Cheers* brand.

New Markets

Gestation losses were incurred in our new markets of Sri Lanka and Mongolia, totalling \$0.7 million. These initial start-up costs are a necessary step for APB's long term growth.

Corporate Office

PBIT improved primarily due to lower brand development cost, and higher royalty income.

Taxation

Lower proportion of Group profit from overseas subsidiaries with higher tax rate and write-back of prior year over provision reduced the Group's overall effective tax rate to 23.9% (Q2 2005: 26.7%). The effective tax rate is higher as compared to Singapore corporate tax rate of 20% due to the higher tax rates of overseas subsidiaries.

REVIEW OF BALANCE SHEET**Company**

Investment in joint venture companies increased mainly due to shareholders' loans given. Other creditors fell mainly because of lower expenses accrual. The increase in share capital was due mainly to the transfer of share premium to share capital as required by the Companies Act which came into effect on 30 January 2006.

Group

The increase in other debtors was due mainly to higher prepayments. Other creditors fell mainly because of lower accrual for marketing and operating expenses.

REVIEW OF CASHFLOW

The decrease in cash and cash equivalents for the quarter was due mainly to dividends paid by the Company and subsidiaries as well as purchase of fixed assets offset by cash generated from operations.

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

The fundamentals of the Company remain sound. Barring any unforeseen circumstances, the directors expect attributable profit before exceptional items for the year to be higher than last year.

11. If a decision regarding dividend has been made:-

(a) **Whether an interim ordinary dividend has been declared:** Yes

(b) (i) **Amount per share** : 14 cents, after deduction of Singapore tax at 20%

(ii) **Previous corresponding period** : 14 cents, after deduction of Singapore tax at 20%

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

After deduction of Singapore tax at 20%.

(d) **The date the dividend is payable.**

The Directors have declared an interim dividend of 14 cents (last year: 14 cents) per share, being AFTER deduction of Singapore tax at 20%, to be paid on 13 June 2006. This is equivalent to a gross dividend of 17.5 cents per share.

(e) **Book Closure date**

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 8 Cross Street, #11-00 PWC Building, Singapore 048424 up to 5.00pm on 1 June 2006 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed from 2 June 2006 to 5 June 2006, both dates inclusive, for the preparation of dividend warrants.

12. INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions for the period 1 October 2005 to 31 March 2006 as required under Rule 907 of the SGX Listing Manual.

Name of interested person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 902)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Heineken Group of Companies	2,401,256	16,693,371
Fraser and Neave, Limited	-	8,175,720
Fraser & Neave Holdings Bhd	-	15,505,558

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary

11 May 2006