



ASIA PACIFIC BREWERIES LIMITED

438 Alexandra Road #16-01 Alexandra Point Singapore 119958 Tel: (65) 6276 3488 Fax: (65) 6276 4287
Company Registration No.: 193100007K (Incorporated in the Republic of Singapore)

Media Release

APB Makes further strategic investment in India

30 June 2006 – Riding on its second wave of regional expansion, Asia Pacific Breweries Ltd (APB) is about to add more fresh froth in India's largest beer consuming state, Andhra Pradesh, through a joint venture partnership with Jaipuria Beverages & Food Industries Private Limited ("Jaipuria") which is associated with the Jaipuria Group, one of the largest manufacturers of soft drinks in India.

Called Pearl Breweries Private Limited (PBPL), the new joint venture company of which APB holds the majority stake of 67%, will build a greenfield brewery with an initial brewing capacity of 250,000 hectolitres just outside Hyderabad, the economic heartbeat and capital city of Andhra Pradesh. The brewery is expected to commence operation by end 2007.

The initial investment in PBPL is estimated to be USD 15 million (approximately S\$24 million) out of which the equity contribution is estimated not to exceed USD 10 million (approximately S\$16 million), which will be contributed by APB and Jaipuria in proportion to their respective shareholdings. APB's contribution will be funded through a combination of internal resources and external borrowings.



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The joint venture marks APB's second investment in India which follows its investment in Aurangabad Breweries Limited (AUBL) in May 2006.

Said Mr Koh Poh Tiong, Chief Executive Officer, APB, ***"India is a rapidly expanding economy and it presents exciting growth opportunities for APB. As we seek to increasingly mark our footprint in the rising economy of India, it is critical that we establish a presence in the key markets of the country. Andhra Pradesh, being the fifth largest state in India, is one of the most dynamic economies locally. It also doubles up as the major link between the north and south of India and this makes it a highly valuable and strategic geographic location for APB to build our base there and eventually extend to the regions further afield."***

A state in South India, Andhra Pradesh is bordered by Maharashtra in the west where APB's other joint venture company in India, AUBL operates a brewery. Andhra Pradesh makes up some 16% of India's total beer market of around 8 million hectolitres per annum. India's beer market is set to look up, mainly led by the thriving economy which has been growing at a compounded rate of over 7% annually.

While per capita consumption is less than 1 litre, it signifies a growth opportunity in a country with a population in excess of 1 billion people. With almost 55% of the population in the 21-59 year age group, the potential for growth in beer consumption is high.



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Coupled with the deregulation that is gaining momentum across the Indian states as well as the growing young and affluent middle class, the outlook of the Indian beer market bodes well for long term growth.

Pleased to have found a partner in Jaipuria, Mr Koh said, "***We are pleased to have joined hands with Jaipuria, a key player in India's F&B industry. Jaipuria will bring to the partnership its extensive network in the industry and valuable local market insight that will contribute to the success of our business there. With our portfolio of over 40 beer brands and variants including award-winning Tiger as well as Heineken and Anchor, we look forward to providing the discerning consumers in Andhra Pradesh, our best brand offerings. Also, APB will be able to exchange technical and marketing experiences with our counterparts in India.***"

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For further enquires, please contact:

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