



## ASIA PACIFIC BREWERIES LIMITED

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

### **APB Enters Lao PDR Market**

#### **Strengthening Presence in Indochina**

**30 May 2006** - Within a short span of eight months, Asia Pacific Breweries Limited ("APB") has, through strategic partnerships, ventured into four new markets - Sri Lanka, Mongolia, India and now, Laos. In this latest move to strengthen its IndoChina presence, APB has formed a joint venture with the Government of Lao People's Democratic Republic ("Lao PDR") (25%) and SBK Consultant Ltd (7%) and will hold the majority stake of 68% in this greenfield brewery - Lao Asia Pacific Breweries Limited (LAPB).

Total initial investment in LAPB is expected to be US\$25 million (approximately S\$40 million) of which APB will be funding its share of about US\$17 million through a combination of internal resources and borrowings.

Located outside the Lao capital of Vientiane, construction of LAPB is expected to commence in July 2006 and is targeted for completion by end 2007. It will have an initial capacity of 300,000 hectolitres per annum.

***"The construction of LAPB is a continuation of our ongoing expansion into new emerging markets in the Asia Pacific region. Lao PDR forms the final piece of the Indochina region jigsaw puzzle for APB as we already have breweries in Cambodia, Vietnam, as well as neighboring Thailand,"*** explained Mr Koh Poh Tiong, Chief Executive Officer, APB.

***"LAPB marks another new market to brew, distribute and sell our flagship brand, Tiger. This is in line with APB's vision to become the leading brewer in the Asia Pacific region and for Tiger to become the leader among pan-Asian beer brands. We are confident that Tiger,***

***distributed in more than 60 countries around the world, will be able to capture a significant slice of the Lao beer market,”*** he said.

Going beyond just import and distribution, the setting up of a local operation in Laos now allows APB to market its brands more extensively throughout the country. Furthermore, as APB continues to set its sight on the Asia Pacific region for opportunities of fresh income streams, this latest investment in Laos will conclude APB’s complete presence within the IndoChina region and underlines APB’s firm position in actively pursuing greater returns from these fast-developing economic markets.

Mr Koh elaborated, ***“Our beers are already well-accepted in Cambodia and Vietnam and together, the two countries account for 33% and 46% respectively of our revenue and PBIT in the last financial year. LAPB will contribute to the growth from the Indochina market in the years to come. With the opening up of the Lao beer market, we expect Indochina to continue to be one of our key profit generators as the beer market is still young and shows great potential for further growth.”***

When the construction of LAPB is completed, APB will be the only beer company to own strategic stakes in breweries in six of the nine countries that form South East Asia i.e. Singapore, Malaysia, Thailand, Cambodia, Vietnam and Laos.

#### Lao Beer Market

Laos’ population of 5.9 million consumes about 900,000 hectolitres of beer annually making the per capita consumption relatively low at 15 litres. The beer market in Lao PDR has been registering steady double-digit growth in recent years. As 48% of the population is above 20 years of age and coupled with an economic growth of 7.1% per year, consumption levels are expected to increase.

***“We are delighted to form a partnership with the Government of Lao PDR and we look forward to the opportunity of bringing greater choices to Lao consumers,”*** ended Mr Koh.

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