



## **APB Strengthens Leadership Position In Vietnam's Premium Beer Segment By Expanding South Vietnam Brewery**

**8 June 2006, Singapore** – Asia Pacific Breweries (APB) unveils its expanded brewery in South Vietnam today in a ceremony that marks the successful completion of a 50% increase in capacity from 1.5 million hectolitres to 2.3 million hectolitres. Being equipped with the capacity of another 800,000 hectolitres per annum allows Vietnam Brewery Limited (VBL), which had been operating at full capacity, to further strengthen the leadership positions of both *Tiger* and *Heineken* beers in Vietnam's premium beer market. APB owns a 60% stake in VBL.

Said Mr Koh Poh Tiong, Chief Executive Officer, APB, "*Heineken* beer has been consistently delivering double-digit growth and is clearly heading the league of the premium beers in Vietnam. Also, our sales volume for *Tiger* beer in Vietnam is the largest as compared to any other country in the world. *Heineken* and *Tiger* beers together dominate the Vietnam premium beer segment with 85% market share. In the past decade, APB has invested strongly in growing the brands to reach the status where they are today. With the additional capacity now in place at VBL, it will make it technically feasible for us to continue to build on the success of these brands by driving higher volumes and more importantly, upholding their leadership position in the premium beer segment."

A total of €31 million (approx S\$63 million) was invested in new and upgraded equipment as part of this second expansion at VBL, which also saw the installation of the brewery's second bottling line with a capacity of 50,000 bottles/hour. The brewery's first expansion took place in 2001, eight

years after it first commenced commercial operation in 1993, whereby capacity tripled from 500,000 hectolitres/annum to 1.5 million hectolitres/annum.

Confident that APB is now better placed to meet the rising demands of Vietnam's fast-growing beer market, Mr Koh added, "Over the past three years, Vietnam's beer market has been experiencing strong double-digit growth and registered a 17% increase in 2005. The strong showing from this robust market has led to APB's IndoChina (made up of Vietnam and Cambodia) region leading revenue growth at S\$466.7 million for FY 2004/05 and recorded S\$102.4 million in Profit Before Interest, Taxation and Exceptional Items. This is an increase of 15% and 20% respectively as compared with that of the previous year."

Besides *Tiger* and *Heineken* beers, VBL also produces and distributes *Bivina*, *Amber Stout* and recently, *Coors Light* which made its debut in Vietnam in May 2006. The move to brew *Coors Light*, a premium light beer from the USA, came soon after the completion of VBL's capacity expansion. *Coors Light*, which has been introduced to complement *Tiger* and *Heineken* beers, will provide an added choice to the increasingly affluent Vietnamese consumers who are consistently opting for premium beer brands. *Coors Light* will be hitting the premium local bars and beer gardens in key cities throughout Vietnam.

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