



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)

APB Opens Brewery In Mongolia To Brew Tiger

19 June 2007 – Venturing into East Central Asia, *Tiger* has etched its footprint in Mongolia by becoming the first foreign beer brand to be brewed there. Brewed-In-Mongolia *Tiger* is now tapped from the newly-commissioned brewery of MCS-Asia Pacific Brewery LLC (MCS-APB), a 55-45 joint venture between Singapore’s Asia Pacific Breweries Ltd (APB) and MCS Holdings LLC (MCS) from Mongolia.

Located in Mongolia’s capital city, Ulaanbaatar, the US\$20 million (approximately S\$30 million) brewery sits on a site of 5 hectares. The plant is currently equipped with an annual production capacity of 120,000 hectolitres or more than 60,000 bottles (330ml) of *Tiger* each day.

Pleased with the milestone, Mr Koh Poh Tiong, Chief Executive Officer, APB said, “*APB is optimistic about the potential of the Mongolian beer market and anticipates its investment there to succeed as Mongolia is one of the most liberal and foreign investor friendly economies in Asia. Coupled with its improving economy which grew 7.5% in 2006 and the increasing preference for beers amongst younger adult drinkers as well as a shift in consumer preference for beer over vodka, the Mongolian beer market looks set to grow further. Last year, Mongolia’s beer market stood at nearly 230,000 hectolitres while per capita consumption, at only about 9 litres per annum, signalled room for further growth. All these underlying conditions augur well for APB’s timely introduction of locally-brewed Tiger in Mongolia and we are glad to be in the forefront of tapping the opportunities of the young beer market there.*”



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“We are extremely proud that Tiger has been given the honour to become the first foreign beer brand to be brewed in the world's second-largest landlocked country and one of the world's youngest democracies rich in historical, cultural and natural heritage. We are proud to have Mongolia as the 8th country to brew Tiger which is now available in more than 60 countries around the world. As we mark the 75th anniversary of Tiger in October this year, we shall be working together with our partners such as MCS to further open new markets for our flagship brand. It has always been our ambition to grow Tiger into a pan-Asian beer brand that is widely brewed and enjoyed throughout the world,” added Mr Koh

Mongolia now joins the ranks of Singapore, Malaysia, Thailand, Vietnam, Cambodia and China which are currently brewing *Tiger*. While Mongolian-brewed *Tiger* is only being introduced now, the brand is not new to beer drinkers there. APB had first exported it to Mongolia and positioned it as a premium import brand about 15 years ago. In 2005, the brewery group partnered the MCS Group and established MCS-Asia Pacific Brewery LLC in Mongolia. Since then, efforts have been intensified to build a greater awareness for *Tiger* in order to build up demand for the brand by the time the brewery is completed.

Mr Koh elaborated, *“I am very pleased to say that our combined efforts have made tremendous headway. Tiger’s volume has grown 500% in the first year of MCS-APB’s inception and today, the brand has established a substantial presence in over 700 bars, pubs, restaurants and retail outlets amongst others in Ulaanbaatar. As we continue to extend the distribution of Tiger in Ulaanbaatar and beyond, the new Tiger brewery allows us to increase the availability of Tiger in Mongolia where the premium and super-premium beer categories are fast growing and present tremendous long-term potential. We believe that by brewing Tiger locally, we have the opportunity to operate within the community which places the brand even closer to the hearts of our Mongolian consumers.”*



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Moving forward, MCS-APB is set to achieve marketing leadership and extend *Tiger's* distribution points throughout Mongolia. A firm believer in brand portfolio management, the brewer will gradually enhance its brand offerings to cater to the various segments of the beer market to offer its consumers greater options to drive collective volume, a brand strategy that is successfully and widely-adopted by the APB group of breweries.

Including Mongolia, APB now owns interests in 32 brewery operations in eleven countries in the Asia Pacific region. APB's brewery count will add up to 35 in twelve countries as new breweries come on stream in China, India and Laos by 2008.

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Asia Pacific Breweries Limited (APB) is a Singapore listed company currently supported by 32 brewery operations in eleven countries in the Asia Pacific region, namely Singapore, Malaysia, Mongolia, Thailand, Vietnam, Cambodia, China, New Zealand, Papua New Guinea, India and Sri Lanka.

A joint venture between the Fraser and Neave Group of companies and Heineken of Holland, APB was established as Malayan Breweries Limited (MBL) in 1931. To more accurately reflect the growing regionalisation of its business interests, MBL was renamed Asia Pacific Breweries Limited in 1990.

APB manages a portfolio of over 40 beer brands and brand variants, with *Tiger Beer* and *Heineken* as its flagship brands. *Tiger Beer* is a Singapore icon with international standing, and arguably the most-widely marketed Asian beer brand with a presence in over 60 countries. Amongst its numerous awards and accolades, *Tiger Beer* had won Gold for Best Lager Beer at the prestigious 1998 Brewing Industry International Awards and more recently took a Gold Medal in the Premium Beer Category at the Association of Brewers World Beer Cup 2004.

With more than 70 years in the brewing industry, APB has been consistently ranked by the Far Eastern Economic Review as one of the top companies in Asia. KPMG also rated APB as among the top ten value creators in Singapore, for having consistently added value for its customers, consumers and shareholders.

For the first half of the financial year ended 31 March 2007, APB's Group revenue stood at S\$925.7 million while PBIT and attributable net profit before exceptional items were S\$159.3 million and S\$84.6 million respectively.