



ASIA PACIFIC BREWERIES LIMITED

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Asia Pacific Breweries Advances With New Brewery In Guangzhou

- **Further extends Group's advancement in South China**
 - **Intensifies premium brand strategy**

19 May 2011 - Asia Pacific Breweries Ltd (APB) today celebrated the official opening of the greenfield brewery of Guangzhou Asia Pacific Brewery Co. Ltd (GAPB) in Guangzhou, China. GAPB is a wholly-owned subsidiary of Heineken-APB (China) Pte Ltd in which APB holds a 50% stake.

The RMB400 million (or approximately S\$80 million) brewery is situated in the Huangpu District of Guangzhou City. The one million-hectolitre facility is designed to brew Tiger, Heineken and Anchor.

Mr Roland Pirmez, Chief Executive Officer, APB commented, "The opening of the Guangzhou brewery marks an important milestone for APB in China where the Group also owns brewery operations in Hainan and Shanghai. Apart from extending our existing presence in South China, this development is consistent with our vision to become the leading brewer in the Asia Pacific region. Including this new brewery, we now have 29 brewery operations in 13 markets."

The diverse portfolio of brands that the Group offers in China includes the internationally acclaimed Tiger and Heineken as well as the popular Anchor. The commissioning of the new brewery in Guangzhou will enable the Group to further capitalise on the buoyant China beer market and trend of premiumisation, i.e. an increasing desire for fine quality international brands amongst the Chinese population.

Last year, China consumed 448 million hectolitres of beers (approximately 136 billion X 330 ml bottles), 6.3% higher than the year before. Beer consumption per capita stood at almost 34 litres (approximately 103 X 330ml bottles), up from 27 litres (approximately 82 X 330ml bottles) just five years ago. Guangdong is the third largest beer market in China with a volume of 38 million hectolitres. Aligned with rising income, the premium beer segment in Guangdong, already the largest in China, grew 9% in 2010.

Mr Malcolm Tan, Regional Director, China, APB elaborated, “As the brewer of leading International beer brands, Tiger and Heineken, we ensured the local consumers continually found favour with our beer. Leveraging the strong brand equity and the international success of our beer brands have worked well for us in this market that is increasingly leaning towards high end names. Owing to a robust Chinese economy as well as our strategic marketing expertise and distribution network, Tiger and Heineken have grown to be popular premium choices, especially in South China. The new brewery in Guangzhou will thus meet the rising demand for a sustainable beer supply as we further intensify our premium brand strategy in China.”

Meanwhile, Anchor and its variants remain a key brand that supports the Group’s portfolio that caters to a wider spectrum of the market.

“Given the strong China economy, the key cities with close proximity to the Pearl River Delta are expected to thrive further. This means that our premium brands and up-market strategy will remain relevant in driving our growth to the next level,” added Mr Pirmez.

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