



## 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)

### PRESS RELEASE

#### APB Increases brewing capacity in Vietnam for further growth

- ***Expands brewery capacity in Vietnam by over 25%***
- ***Brewery in Ho Chi Minh City, already the Group's largest brewery in Vietnam, will add another 1.4 million hectolitres in capacity***
- ***Aligns with vision to be the most responsible brewery group in Vietnam***
- ***On going expansion programmes to breweries in Danang and Hanoi.***

To further strengthen its position and sharpen its competitive edge in Vietnam, Asia Pacific Breweries Ltd (APB) today announced that it will increase the production capacity of its brewery in Ho Chi Minh City from 2.8 million hectolitres to 4.2 million hectolitres. APB holds a 60% interest in the brewery there.

On the milestone, Mr Roland Pirmez, Chief Executive Officer, APB said *"The Vietnamese beer market has been growing with the rapid economic development of the country. Given its sizeable population of 87 million people and rising affluence, particularly amongst its large young population, beer demand has been growing at a double digit rate and we believe this rate of growth will continue in the medium term. Demand for our brands has been encouragingly strong and this expansion will enable APB to meet anticipated growth for our key brands, Tiger, Heineken and Larue."*

The approximately S\$90 million investment will add a second canning line that produces up to 90,000 cans per hour, fermentation facilities and malt silos as well as comprise a brew house upgrade and warehouse extension.

Committed to sustainability, the expansion also includes a waste water treatment plant that is designed to further optimise water usage. The initiative is consistent with the brewer's vision to be the most socially responsible brewery Group in Vietnam by 2015. Over the next four years, the brewer has plans to reduce thermal energy consumption by another 15%; cut water used for every litre of beer produced by a further 38%; and lower carbon footprint by 20% through alternative "greener" transportation arrangements with its partners and suppliers in the supply chain.

When the enhancement works complete in December this year, the APB brewery in Ho Chi Minh City will enhance its position as the largest brewery in Vietnam and the APB Group. Meanwhile, total production capacity of the APB Group in the country will be increased by over 25%. This added production will be significant in further driving top line gain for the Group in Vietnam with rising disposable income, particularly in Ho Chi Minh City where per capita income is approximately twice the national average.

Concurrent to the brewery expansion in Ho Chi Minh City, APB is also expanding capacities in its breweries in Hanoi and Danang by a further 450,000 hectolitres in total. These expansions are scheduled to be completed by fourth quarter of 2011.

Mr Chris Kidd, Regional Director, IndoChina, APB elaborated, "*These investments underline the importance of Vietnam to APB and demonstrate our confidence not only in the future of our brands there but also the confidence we have in the medium term for the Vietnamese economy being able to generate sustainable beer demand growth.*"

Currently, APB participates in the market of Vietnam through four breweries in central and southern Vietnam; and one brewery in the north.

In the last 10 years, APB has seen intensive expansion of its production that drove its successful advancement and growth in Vietnam. This latest initiative follows the previous expansion that was completed in 2009 when the brewery in Ho Chi Minh City also introduced its first canning line to fulfil rising demand for canned beers.

*Vietnam, together with Cambodia and Laos form the Indochina region of the APB Group. The region accounted for some 48% of APB's total PBIT last financial year. For the full year ended 30 September 2010, the region generated a revenue of S\$935.4million and reported a PBIT of S\$241.7million. They marked an increase of 13% and 48% respectively over the previous year.*

For the six months ended 31 March 2011, *Vietnam, together with Cambodia, Laos and Thailand reported a PBIT gain of 26%. The performance was underpinned by higher volume and better margins in Vietnam.*

-End-

For further information, please contact:

Sarah Koh  
General Manager  
Group Corporate Communications  
Tel: (65) 62775059  
sarah.koh@apb.com.sg

Shirley Poo  
Manager  
Group Corporate Communications  
Tel: (65) 62775027  
shirley.poo@apb.com.sg