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Acquisitions and Disposals :: Major Transaction :: OFFER TO ACQUIRE F&NL'S INTERESTS IN APBL AND APIPL

* Asterisks denote mandatory information




Name of Announcer *	FRASER AND NEAVE, LIMITED
Company Registration No.	189800001R
Announcement submitted on behalf of	FRASER AND NEAVE, LIMITED
Announcement is submitted with respect to *	FRASER AND NEAVE, LIMITED
Announcement is submitted by *	Anthony Cheong Fook Seng
Designation *	Group Company Secretary
Date & Time of Broadcast	03-Aug-2012 21:40:08
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	OFFER TO ACQUIRE F&NL'S INTERESTS IN APBL AND APIPL
Description	Attached are the following in relation to the offer by Heineken N.V. ("Heineken") to acquire the Company's interests in Asia Pacific Breweries Limited and Asia Pacific Investment Pte Ltd: an announcement and press release issued today by the Company, and an announcement issued today by Heineken.

Attachments

-  FNN-Announcement-on-Acceptance-of-Heineken-Offer-3.8.2012.pdf
-  FNN-Press-Release-on-Acceptance-of-Heineken-Offer.pdf
-  Heineken_N.V._offer_accepted_3_August_2012.pdf

Total size = **560K**
(2048K size limit recommended)





FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 189800001R)

OFFER TO ACQUIRE THE COMPANY'S INTERESTS IN ASIA PACIFIC BREWERIES LIMITED ("APBL") AND ASIA PACIFIC INVESTMENT PTE LTD ("APIPL")

All capitalised terms used in this Announcement shall, unless otherwise defined herein, have the meanings ascribed to them in the announcement of the Company on 20 July 2012 (the "Initial Announcement") in relation to the offer from Heineken to acquire the Company's direct and indirect interests in APBL and the Company's interest in certain non-APBL assets held by APIPL.

1. IN-PRINCIPLE AGREEMENT

Further to the Initial Announcement, the Company wishes to announce that Heineken and the Company have today come to an in-principle agreement on terms set out below.

Subject to:

- (i) the agreement, finalisation and execution of definitive legal documentation for the APBL Sale (as defined below) on terms acceptable to Heineken and the Company;
- (ii) the receipt of applicable regulatory approvals and clearances (if any) in respect of the APBL Sale;
- (iii) a statement from the Board to be provided at the time the Company announces its in-principle agreement on the APBL Sale, that subject to the parties entering into definitive legal documentation for the APBL Sale, the Board recommends its shareholders to vote in favour of the APBL Sale at the extraordinary general meeting convened in respect of the APBL Sale; and
- (iv) the Company receiving the approval of its shareholders for the APBL Sale,

the Company has agreed to sell to Heineken:

- (a) its direct interests in APBL comprising 18,753,887 APBL shares at the price of S\$50.00 for each share in APBL, for an aggregate consideration of S\$937,694,350;
- (b) its indirect interests in APBL comprising 50% of the 167,333,732 APBL shares held by APIPL, at the attributed price of S\$50.00 for each share in APBL, for an aggregate consideration of S\$4,183,343,300; and
- (c) its interests in the non-APBL assets held by APIPL, for an aggregate consideration of S\$163,000,000 without any adjustment for further impairments,

(collectively, the "APBL Sale").

If any further dividends are paid by APBL and received by the Company on or after the date of this announcement, the aggregate consideration payable to the Company for its direct interests in APBL shall be reduced by the amount of such dividends received by the Company.

2. CONDITIONS TO THE APBL SALE

As set out above, the APBL Sale will be conditional on, *inter alia*, the approval of the shareholders of the Company being obtained, the Board making a recommendation to the shareholders to vote in favour of the APBL Sale and the receipt of applicable regulatory approvals and clearances (if any).

The APBL Sale remains subject to the parties negotiating, finalising and entering into definitive legal agreements in relation to the same and may be subject to further terms as may be agreed between the parties in the definitive legal agreements. With reference to the condition relating to the Board's recommendation on the APBL Sale, subject to the parties entering into definitive legal agreements for the APBL Sale, the Board recommends to the shareholders of the Company to vote in favour of the APBL Sale at the extraordinary general meeting to be convened in respect of the APBL Sale.

Shareholders should note that parties are in the process of negotiating the terms of the definitive legal agreements and there is no certainty that such agreements will be agreed upon and entered into. The Company will update shareholders in due course and will make appropriate announcements at the relevant time.

In the meantime, shareholders are advised to refrain from taking any action in relation to their shares of the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Company.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and the directors of the Company jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng
Group Company Secretary
3 August 2012



FRASER AND NEAVE, LIMITED

Company Registration No. 189800001R
Incorporated in the Republic of Singapore

F&N Board accepts Heineken's offer of \$50 per APB share

- F&N Board to recommend to shareholders to vote in favour
- Sale of interest in Asia Pacific Breweries Limited unlocks substantial shareholder value in the Beer business
- Committed to long term growth strategies of the Group

Singapore, 3 August 2012 – Fraser and Neave, Limited (“**F&N**”) today announced it has communicated to Heineken N.V. (“**Heineken**”) the acceptance of its offer to acquire F&N’s interest, held directly and indirectly, in Asia Pacific Breweries Limited (“**APB**”) for an aggregate consideration of \$5.28 billion. This consideration values F&N’s interest in APB at \$50 per share and \$163 million for its other assets held by Asia Pacific Investment Pte Ltd, F&N’s 50:50 joint venture with Heineken.

Mr Lee Hsien Yang, Chairman of F&N, said, “The transaction is a validation of APB’s success, its business model, leading brands and strong management team.”

Listed on the Singapore Exchange, APB is one of the key players in the beer industry. A joint venture between F&N and Heineken (collectively “**Partners**”), APB was established in 1931, some 81 years ago. The Partners went on to open its first brewery in Singapore and launched the award-winning *Tiger* beer a year later. Over time, the Partners took APB’s business beyond Singapore and added new beer brands to its portfolio of brews. Today, APB operates an extensive global marketing network, which spreads across 60 countries and is supported by 30 breweries in 14 countries including Singapore, Cambodia, China, Indonesia, Laos, Malaysia, Mongolia, New Caledonia, New Zealand, Papua New Guinea, Solomon Islands, Sri Lanka, Thailand and Vietnam.

“While all of us at F&N maintain a strong emotional attachment to APB and the *Tiger* beer brand, this offer price of \$50 represents an attractive premium and the sale of APB allows us to immediately unlock substantial value in the Beer business, which is consistent with our intent to maximise returns for F&N shareholders,” added Mr Lee. “Moving forward, we will remain focused on enhancing shareholder value and actively pursue the long term growth strategies for the Group.”

The transaction is subject to sale conditions which include the finalisation and execution of legal documentation with Heineken, the receipt of regulatory approvals and the approval of F&N’s shareholders at an EGM to be convened.

- END -

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DIRECTORS’ RESPONSIBILITY STATEMENT

The directors of F&N (including any who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this press release are fair and accurate and that no material facts have been omitted from this press release, and the directors of F&N jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of F&N has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

Board of Fraser and Neave, Limited accepts Heineken N.V.'s offer of S\$50 for each APB share

Amsterdam, 3 August 2012 – Heineken N.V. ("HEINEKEN") today announced that it has reached an agreement with the Board of Fraser and Neave, Limited ("F&N") in respect of HEINEKEN's offer (the "Offer") to acquire, either directly or through a wholly-owned subsidiary, F&N's direct and indirect interests in Asia Pacific Breweries Limited ("APB") as well as F&N's interest in the non-APB assets held by Asia Pacific Investment Pte Ltd ("APIPL") (the "Proposed Transaction"). The Board of F&N has agreed to recommend to the shareholders of F&N to vote in favour of the Proposed Transaction at the relevant shareholders' meeting (the "F&N EGM"). The agreement is subject to successful negotiation and execution of definitive transaction documents between HEINEKEN and F&N (the "Definitive Agreements").

The Offer

On 20 July 2012, HEINEKEN made the Offer to acquire (i) F&N's direct and indirect interests in APB at a price of S\$50.00 per APB share (for a total consideration of S\$5.1 billion), and (ii) F&N's interest in the non-APB assets held by APIPL for a consideration of S\$163 million. At the request of F&N, the Offer was extended for a week by HEINEKEN on 27 July 2012. The offer price of S\$50.00 per APB share represents a premium of 45% over the one-month volume weighted average price per APB share¹.

Terms of the Proposed Transaction

The Proposed Transaction will not be subject to due diligence nor will it be conditional on financing. It is only subject to the following conditions being satisfied by such cut-off date (the "Cut-off Date") as may be mutually agreed in the Definitive Agreements:

- (i) the Board of F&N recommending to its shareholders to vote in favour of the Proposed Transaction at the F&N EGM;
- (ii) F&N's shareholders' approval being obtained at the F&N EGM; and
- (iii) required regulatory approvals including favourable decisions from the relevant competition/anti-trust authorities, being obtained.

In the event that HEINEKEN and F&N successfully negotiate and execute the Definitive Agreements and upon fulfillment of the conditions and completion of the Proposed Transaction, HEINEKEN or one of its wholly-owned subsidiaries will make a mandatory general offer ("MGO") for all the shares of APB not already owned by it, in accordance with the Singapore Code on Take-overs and Mergers, at a price of S\$50.00 per APB share.

¹ One month period of up to and including 16 July 2012, being the date of the joint holding announcement by Oversea-Chinese Banking Corporation Limited and Great Eastern Holdings Limited of an approach with an offer to purchase their combined stakes in F&N and APB.

Shareholding Information

As of the date of this announcement:

- (i) HEINEKEN and its related corporations own (a) 41,175,000 ordinary shares and 31,766,808 preference shares of APIPL, representing 50% of the issued and paid-up ordinary share capital of APIPL (the other 50% being owned by F&N), and (b) 24,513,560 shares of APB representing approximately 9.49% of the issued and paid-up share capital of APB;
- (ii) APIPL owns 167,333,732 shares of APB, representing approximately 64.80% of the issued and paid-up share capital of APB; and
- (iii) based on publicly available information, F&N owns 18,753,887 shares of APB, representing approximately 7.26% of the issued and paid-up share capital of APB.

In the event that the Definitive Agreements are executed, the conditions of the Proposed Transaction are satisfied by the Cut-off Date and consequently, the completion of the Definitive Agreements take place, then:

- (i) APIPL will become a wholly-owned subsidiary of HEINEKEN and HEINEKEN will therefore acquire control of APIPL's shareholding in APB of approximately 64.80%; and
- (ii) HEINEKEN and its related corporations direct interest in APB will increase from approximately 9.49% to approximately 16.76%.

Cautionary Statements

HEINEKEN wishes to highlight that there is no assurance that the Definitive Agreements will be successfully negotiated and, eventually executed with F&N. Even if the Definitive Agreements are executed, there is no assurance that the other conditions of the Proposed Transaction will be satisfied by the Cut-off Date. **If, either the Definitive Agreements are not executed, or the conditions of the Proposed Transaction are not satisfied by the Cut-off Date, the MGO will not be required to be made under the Singapore Code on Take-overs and Mergers.**

Further announcements will be made by HEINEKEN as and when there is further development in respect of the execution of the Definitive Agreements, in compliance with applicable regulatory requirements.

Directors Responsibility Statement

The directors of HEINEKEN (including any director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that there are no other material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, or obtained from F&N, the sole responsibility of the directors of HEINEKEN has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

The directors of HEINEKEN jointly and severally accept responsibility accordingly.

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