



# ASIA PACIFIC BREWERIES LIMITED

(Company Registration No. 193100007-K)  
(Incorporated in the Republic of Singapore)

## RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2008 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 2008.

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FULL YEAR RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### 1(a)(i) GROUP PROFIT STATEMENT

	2nd Quarter to 31/3/2008 \$'000	2nd Quarter to 31/3/2007 \$'000	Change %	6 Months to 31/3/2008 \$'000	6 Months to 31/3/2007 \$'000	Change %
Revenue	487,866	449,430	8.6	1,055,621	925,671	14.0
Cost of sales	(295,579)	(278,608)	6.1	(653,578)	(567,502)	15.2
Gross profit	192,287	170,822	12.6	402,043	358,169	12.2
Other income/(expense)	5,582	(753)	NM	6,782	(1,352)	NM
Operating expenses						
- Distribution	(17,986)	(16,173)	11.2	(37,296)	(32,874)	13.5
- Marketing	(61,148)	(56,210)	8.8	(133,609)	(122,446)	9.1
- Administration	(37,857)	(30,979)	22.2	(74,974)	(62,324)	20.3
	(116,991)	(103,362)	13.2	(245,879)	(217,644)	13.0
Trading profit	80,878	66,707	21.2	162,946	139,173	17.1
Share of joint venture and associated companies' profits	4,351	4,609	(5.6)	4,981	7,371	(32.4)
Gross income from investments	468	1,112	(57.9)	1,074	2,084	(48.5)
Profit before interest, taxation and exceptional items	85,697	72,428	18.3	169,001	148,628	13.7
Interest income	3,790	2,480	52.8	6,815	4,350	56.7
Interest expense	(4,697)	(1,191)	NM	(9,268)	(2,622)	NM
Net interest income	(907)	1,289	NM	(2,453)	1,728	NM
Profit before taxation and exceptional items	84,790	73,717	15.0	166,548	150,356	10.8
Exceptional items	(2,794)	-	NM	(4,145)	(75)	NM
Profit before taxation	81,996	73,717	11.2	162,403	150,281	8.1
Taxation	(23,986)	(24,615)	(2.6)	(50,280)	(49,315)	2.0
Profit after taxation	58,010	49,102	18.1	112,123	100,966	11.1
Profit attributable to: Shareholders of the Company						
- Before exceptional items	46,413	38,646	20.1	90,393	79,162	14.2
- Exceptional items	(2,794)	-	NM	(4,145)	(75)	NM
	43,619	38,646	12.9	86,248	79,087	9.1
Minority interests	14,391	10,456	37.6	25,875	21,879	18.3
	58,010	49,102	18.1	112,123	100,966	11.1

NM - Not meaningful

**1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO GROUP PROFIT STATEMENT**

	<b>Group</b>					
	<b>2nd Quarter to 31/3/2008 \$'000</b>	<b>2nd Quarter to 31/3/2007 \$'000</b>	<b>Change %</b>	<b>6 Months to 31/3/2008 \$'000</b>	<b>6 Months to 31/3/2007 \$'000</b>	<b>Change %</b>
<b>Operating expenses</b>						
Included in operating expenses are:						
Depreciation & amortisation	(13,256)	(13,204)	0.4	(26,539)	(25,745)	3.1
Provision for doubtful debts & bad debts written off	(241)	(604)	(60.1)	(208)	(597)	(65.2)
Write off for inventory obsolescence	(858)	(956)	(10.3)	(858)	(545)	57.4
Foreign exchange gain/(loss)	592	267	121.7	843	(660)	NM
Profit/(loss) on sale of fixed assets	929	23	NM	959	(111)	NM
Employee share-based expense	(588)	(1,281)	(54.1)	(833)	(2,457)	(66.1)
	<u>(588)</u>	<u>(1,281)</u>		<u>(833)</u>	<u>(2,457)</u>	
<b>Taxation</b>						
(Under)/Over provision of prior year taxation	(35)	1,488	NM	(35)	1,507	NM
	<u>(35)</u>	<u>1,488</u>		<u>(35)</u>	<u>1,507</u>	
<b>Exceptional items</b>						
Gain on disposal of fixed assets	-	-	-	760	-	NM
Restructuring cost and professional fee	(2,794)	-	NM	(4,905)	(75)	NM
	<u>(2,794)</u>	<u>-</u>	NM	<u>(4,145)</u>	<u>(75)</u>	NM
Profit before interest, taxation and exceptional items as a percentage of revenue	<u>17.6%</u>	<u>16.1%</u>		<u>16.0%</u>	<u>16.1%</u>	

NM - Not meaningful

## 1(a)(iii) ADDITIONAL INFORMATION

## GROUP REVENUE AND PROFIT ANALYSIS

	2nd Quarter to 31/3/2008 \$'000	2nd Quarter to 31/3/2007 \$'000	6 Months to 31/3/2008 \$'000	6 Months to 31/3/2007 \$'000
<b>Revenue</b>				
<b>By Business Activity</b>				
Brewery operations - subsidiary companies	485,980	448,474	1,052,141	923,881
Corporate office	1,886	956	3,480	1,790
	<u>487,866</u>	<u>449,430</u>	<u>1,055,621</u>	<u>925,671</u>
<b>By Territory</b>				
Singapore	124,842	118,906	253,053	242,702
Papua New Guinea	45,321	43,830	106,878	95,076
New Zealand	108,122	95,269	251,212	225,535
Indochina	194,000	185,393	416,030	345,761
Mongolia	2,711	424	5,108	884
South Asia	10,984	4,652	19,860	13,923
Corporate office	1,886	956	3,480	1,790
	<u>487,866</u>	<u>449,430</u>	<u>1,055,621</u>	<u>925,671</u>
<b>Profit before interest, taxation and exceptional items</b>				
<b>By Business Activity</b>				
Brewery operations				
- subsidiary companies	85,233	70,508	171,990	147,215
- joint venture and associated companies	4,351	4,609	4,981	7,371
Investment income	469	1,112	1,075	2,084
Corporate office	(4,356)	(3,801)	(9,045)	(8,042)
	<u>85,697</u>	<u>72,428</u>	<u>169,001</u>	<u>148,628</u>
<b>By Territory</b>				
Singapore	17,821	12,160	29,114	22,510
Malaysia	4,038	3,833	7,006	6,527
Papua New Guinea	11,656	10,613	27,338	25,548
New Zealand	13,397	12,233	37,778	34,662
Indochina	47,041	39,643	87,224	72,361
Mongolia	(543)	(720)	(1,230)	(1,272)
South Asia	(2,384)	(937)	(4,417)	(1,996)
China	(2,988)	(1,460)	(7,332)	(3,815)
Thailand	2,015	864	2,565	2,145
Corporate office	(4,356)	(3,801)	(9,045)	(8,042)
	<u>85,697</u>	<u>72,428</u>	<u>169,001</u>	<u>148,628</u>
<b>Attributable profit</b>				
<b>By Business Activity</b>				
Brewery operations				
- subsidiary companies	46,485	38,404	94,666	81,170
- joint venture and associated companies	4,716	4,204	5,267	6,831
Investment income	429	745	725	1,396
Corporate office	(5,217)	(4,707)	(10,265)	(10,235)
	<u>46,413</u>	<u>38,646</u>	<u>90,393</u>	<u>79,162</u>
Exceptional items	(2,794)	-	(4,145)	(75)
	<u>43,619</u>	<u>38,646</u>	<u>86,248</u>	<u>79,087</u>

**1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

<b>BALANCE SHEET</b>	<b>Group</b>		<b>Company</b>	
	<b>As at 31/3/2008 \$'000</b>	<b>As at 30/9/2007 \$'000</b>	<b>As at 31/3/2008 \$'000</b>	<b>As at 30/9/2007 \$'000</b>
<b>CAPITAL AND RESERVES</b>				
Share capital	277,411	277,411	277,411	277,411
Reserves	687,296	676,408	669,286	673,217
	964,707	953,819	946,697	950,628
<b>MINORITY INTERESTS</b>	95,240	104,623	-	-
	1,059,947	1,058,442	946,697	950,628
Represented by:				
Fixed assets	610,506	603,392	2,044	1,840
Subsidiary companies	-	-	695,296	681,119
Joint venture companies	309,228	304,393	298,661	283,350
Associated company	413	427	-	-
Other investments	20,878	17,988	14	14
Intangibles	219,291	250,589	3,200	3,413
Deferred tax assets	5,533	5,857	590	590
Other debtors	34,761	34,198	1,245	993
<b>CURRENT ASSETS</b>				
Inventories	111,595	116,172	-	-
Trade debtors	159,409	135,738	-	-
Other debtors	48,599	43,822	10,330	17,511
Amounts due from subsidiary companies	-	-	45,924	40,351
Amounts due from joint venture and associated companies	15,695	25,434	12,244	25,362
Amounts due from related companies	3,313	1,664	216	269
Short term investments	7,991	7,179	-	-
Bank fixed deposits	171,366	130,898	19,236	6,514
Cash and bank balances	46,728	47,674	1,297	1,087
	564,696	508,581	89,247	91,094
<b>Deduct: CURRENT LIABILITIES</b>				
Trade creditors	188,552	164,049	-	-
Other creditors	127,264	134,476	23,895	24,359
Amounts due to joint venture and associated companies	7,056	4,091	-	-
Amounts due to related companies	22,193	46,027	1,394	1,237
Borrowings	165,409	139,503	111,522	78,190
Provision for taxation	55,666	43,623	6,789	7,999
	566,140	531,769	143,600	111,785
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(1,444)	(23,188)	(54,353)	(20,691)
	1,199,166	1,193,656	946,697	950,628
<b>Deduct: DEFERRED LIABILITIES</b>				
Other creditors	4,786	7,160	-	-
Borrowings	100,245	94,604	-	-
Deferred tax liabilities	28,729	28,687	-	-
Provision for employee benefits	5,459	4,763	-	-
	139,219	135,214	-	-
	1,059,947	1,058,442	946,697	950,628

- 1(b)(ii) **Aggregate amount of Group's borrowings and debt securities.**  
 The Group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the immediately preceding financial year:

**Amount repayable in one year or less, or on demand**

	<b>As at 31/3/2008</b>	<b>As at 30/9/2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	24,642	6,085
Unsecured :	140,767	133,418
	<u>165,409</u>	<u>139,503</u>

**Amount repayable after one year**

	<b>As at 31/3/2008</b>	<b>As at 30/9/2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	13,986	1,574
Unsecured :	86,259	93,030
	<u>100,245</u>	<u>94,604</u>

**Details of any collateral**

The secured group borrowings as at 31 March 2008 are secured on the assets of the respective borrowing subsidiary companies.

**1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**GROUP CASH FLOW STATEMENT**

	2nd Quarter to 31/3/2008 \$'000	2nd Quarter to 31/3/2007 \$'000	6 Months to 31/3/2008 \$'000	6 Months to 31/3/2007 \$'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Profit before taxation and exceptional items	84,790	73,717	166,548	150,356
Adjustments for:				
Depreciation of fixed assets	13,122	13,097	26,171	25,532
Provision for employee benefits	1,665	258	2,659	457
(Gain)/loss on disposal of fixed assets	(929)	(23)	(959)	111
Fair value (gain)/loss on financial investments	(436)	81	56	580
Amortisation of brand	134	107	368	213
Investment income	(468)	(1,112)	(1,074)	(2,084)
Interest income	(3,790)	(2,480)	(6,815)	(4,350)
Interest expense	4,697	1,191	9,268	2,622
Provision for fixed assets write off	-	34	-	62
Provision for fixed assets impairment	98	-	98	-
Change of interest in a subsidiary company	(403)	-	(403)	-
Employee share-based expense	588	1,281	833	2,457
Share of joint venture and associated companies' profits	(4,351)	(4,609)	(4,981)	(7,371)
Operating cash before working capital changes	94,717	81,542	191,769	168,585
Change in inventories	4,896	9,043	19,046	8,397
Change in trade and other debtors	50,293	36,967	(25,760)	(46,908)
Change in trade and other creditors	(20,627)	(5,435)	19,127	18,745
Change in related companies' balances	(32,394)	4,182	(27,955)	3,276
Currency realignment	6,207	(6,218)	3,249	4,094
Cash generated from operations	103,092	120,081	179,476	156,189
Interest received	2,404	2,621	5,429	4,579
Interest paid	(5,515)	(1,088)	(10,186)	(2,564)
Employee benefits paid	(1,030)	(59)	(1,594)	(124)
Payment of cash settled options	-	-	(47)	-
Income taxes paid	(21,514)	(24,830)	(36,259)	(37,571)
<b>Net cash from operating activities</b>	<b>77,437</b>	<b>96,725</b>	<b>136,819</b>	<b>120,509</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Dividends from joint venture and associated companies	2,379	-	10,241	6,872
Proceeds from disposal of investments	-	2,748	-	3,480
Proceeds from disposal of fixed assets	1,110	66	3,426	231
Proceeds from disposal of interest in a subsidiary company	3,589	-	3,589	-
Investment income	468	1,058	1,074	2,157
Purchase of fixed assets	(39,887)	(18,866)	(75,047)	(34,214)
(Purchase)/disposal of investments	355	-	(4,532)	(395)
Repayment/(payment) of trade advances	248	1,098	(1,184)	1,429
Acquisition of a subsidiary company	-	(10,577)	-	(10,577)
<b>Net cash used in investing activities</b>	<b>(31,738)</b>	<b>(24,473)</b>	<b>(62,433)</b>	<b>(31,017)</b>

## GROUP CASH FLOW STATEMENT (cont'd)

	2nd Quarter to 31/3/2008 \$'000	2nd Quarter to 31/3/2007 \$'000	6 Months to 31/3/2008 \$'000	6 Months to 31/3/2007 \$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of shares by the company	-	347	-	524
Proceeds from issue of shares by a subsidiary company	1,286	-	1,571	-
Proceeds from bank borrowings	5,930	617	39,359	2,433
Payment of dividends:				
- by parent company to shareholders	(46,469)	(41,300)	(46,469)	(41,300)
- by subsidiaries to minority interests	(4,708)	(7,019)	(20,913)	(17,696)
Additional loan from/(repayment of loans to) minority interests	105	524	(1,814)	524
<b>Net cash used in financing activities</b>	<b>(43,856)</b>	<b>(46,831)</b>	<b>(28,266)</b>	<b>(55,515)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,843</b>	<b>25,421</b>	<b>46,120</b>	<b>33,977</b>
Effect of exchange rate changes on cash and cash equivalents	(11,132)	(1,103)	(8,242)	(5,436)
Cash and cash equivalents at beginning of period	225,410	155,876	178,243	151,653
<b>Cash and cash equivalents at end of period</b>	<b>216,121</b>	<b>180,194</b>	<b>216,121</b>	<b>180,194</b>
<b>Cash and cash equivalents at end of period consist of:</b>				
Bank fixed deposits	171,366	138,562	171,366	138,562
Cash and bank balances	46,728	41,855	46,728	41,855
Bank overdrafts	(1,973)	(223)	(1,973)	(223)
	<b>216,121</b>	<b>180,194</b>	<b>216,121</b>	<b>180,194</b>
<b>Analysis of the acquisition of a subsidiary company:</b>				
Fixed assets	-	8,539	-	8,539
Current assets	-	1,796	-	1,796
Cash and cash equivalents	-	568	-	568
Net assets	-	10,903	-	10,903
Less: Minority interest	-	(2,181)	-	(2,181)
Net assets acquired	-	8,722	-	8,722
Goodwill	-	2,423	-	2,423
Consideration paid	-	11,145	-	11,145
Less: Cash and cash equivalents of subsidiary company acquired	-	(568)	-	(568)
Net cash outflow on acquisition	-	10,577	-	10,577

- 1(d)(i) A statement (for the issuer and group) showing either**  
**(i) all changes in equity or**  
**(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

### STATEMENT OF CHANGES IN EQUITY

	Group								
	Share Capital \$'000	Capital Reserve \$'000	Revenue Reserve \$'000	Exchange Reserve \$'000	Dividend Reserve \$'000	Other Reserves \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
<b>6 Months ended 31 March 2008</b>									
Balance at 1 October 2007	277,411	15,799	684,580	(70,503)	46,469	63	953,819	104,623	1,058,442
Currency exchange difference	-	-	-	(28,891)	-	-	(28,891)	(6,665)	(35,556)
Net gains/(losses) recognised directly in equity	-	-	-	(28,891)	-	-	(28,891)	(6,665)	(35,556)
Profit after taxation	-	-	86,248	-	-	-	86,248	25,875	112,123
Total recognised gains	-	-	86,248	(28,891)	-	-	57,357	19,210	76,567
Share capital contribution by minority interests	-	-	-	-	-	-	-	1,571	1,571
Dividend paid to minority interests	-	-	-	-	-	-	-	(11,190)	(11,190)
Disposal of interest in a subsidiary company	-	-	-	-	-	-	-	(18,974)	(18,974)
<b>Dividends</b>									
Final dividend paid for the previous year	-	-	-	-	(46,469)	-	(46,469)	-	(46,469)
Interim dividend proposed for the year	-	-	(36,142)	-	36,142	-	-	-	-
	-	-	(36,142)	-	(10,327)	-	(46,469)	-	(46,469)
Balance at 31 March 2008	277,411	15,799	734,686	(99,394)	36,142	63	964,707	95,240	1,059,947
<b>6 Months ended 31 March 2007</b>									
Balance at 1 October 2006	276,688	15,799	633,546	(81,503)	41,290	187	886,007	86,650	972,657
Currency exchange difference	-	-	-	3,303	-	-	3,303	(3,095)	208
Net gains/(losses) recognised directly in equity	-	-	-	3,303	-	-	3,303	(3,095)	208
Profit after taxation	-	-	79,087	-	-	-	79,087	21,879	100,966
Total recognised gains	-	-	79,087	3,303	-	-	82,390	18,784	101,174
Share capital contribution by minority interests	-	-	-	-	-	-	-	2,426	2,426
Issue of shares in the Company upon exercise of Share Options	640	-	-	-	-	(116)	524	-	524
Dividend paid to minority interests	-	-	-	-	-	-	-	(17,696)	(17,696)
Acquisition of a subsidiary company	-	-	-	-	-	-	-	2,181	2,181
<b>Dividends</b>									
Additional dividend due to exercise of share options	-	-	(10)	-	10	-	-	-	-
Final dividend paid for the previous year	-	-	-	-	(41,300)	-	(41,300)	-	(41,300)
Interim dividend proposed for the year	-	-	(36,140)	-	36,140	-	-	-	-
	-	-	(36,150)	-	(5,150)	-	(41,300)	-	(41,300)
Balance at 31 March 2007	277,328	15,799	676,483	(78,200)	36,140	71	927,621	92,345	1,019,966

**STATEMENT OF CHANGES IN EQUITY (cont'd)**
**Company**

	Share Capital \$'000	Revenue Reserve \$'000	Dividend Reserve \$'000	Other Reserves \$'000	Total \$'000
<b>6 Months ended 31 March 2008</b>					
Balance at 1 October 2007	277,411	626,685	46,469	63	950,628
Profit after taxation	-	42,538	-	-	42,358
Total recognised gains	-	42,538	-	-	42,538
<b>Dividends</b>					
Final dividend paid for the previous year	-	-	(46,469)	-	(46,469)
Interim dividend proposed for the year	-	(36,142)	36,142	-	-
	-	(36,142)	(10,327)	-	(46,469)
Balance at 31 March 2008	277,411	633,081	36,142	63	946,697
<b>6 Months ended 31 March 2007</b>					
Balance at 1 October 2006	276,688	575,846	41,290	187	894,011
Profit after taxation	-	56,304	-	-	56,304
Total recognised gains	-	56,304	-	-	56,304
Issue of shares in the Company upon exercise of Share Options	640	-	-	(116)	524
<b>Dividends</b>					
Additional dividend due to exercise of Share Options	-	(10)	10	-	-
Final dividend paid for the previous year	-	-	(41,300)	-	(41,300)
Interim dividend proposed for the year	-	(36,140)	36,140	-	-
	-	(36,150)	(5,150)	-	(41,300)
Balance at 31 March 2007	277,328	596,000	36,140	71	909,539

**STATEMENT OF CHANGES IN EQUITY**

	Group								
	Share Capital \$'000	Capital Reserve \$'000	Revenue Reserve \$'000	Exchange Reserve \$'000	Dividend Reserve \$'000	Other Reserves \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
<b><u>2nd Quarter ended 31 March 2008</u></b>									
Balance at 1 January 2008	277,411	15,799	727,209	(78,755)	46,469	63	988,196	106,184	1,094,380
Currency exchange difference	-	-	-	(20,639)	-	-	(20,639)	(4,517)	(25,156)
Net gains/(losses) recognised directly in equity	-	-	-	(20,639)	-	-	(20,639)	(4,517)	(25,156)
Profit after taxation	-	-	43,619	-	-	-	43,619	14,391	58,010
Total recognised gains	-	-	43,619	(20,639)	-	-	22,980	9,874	32,854
Share capital contribution by minority interests	-	-	-	-	-	-	-	1,571	1,571
Dividend paid to minority interests	-	-	-	-	-	-	-	(3,415)	(3,415)
Disposal of interest in a subsidiary company	-	-	-	-	-	-	-	(18,974)	(18,974)
<b><u>Dividends</u></b>									
Final dividend paid for the previous year	-	-	-	-	(46,469)	-	(46,469)	-	(46,469)
Interim dividend proposed for the year	-	-	(36,142)	-	36,142	-	-	-	-
	-	-	(36,142)	-	(10,327)	-	(46,469)	-	(46,469)
Balance at 31 March 2008	277,411	15,799	734,686	(99,394)	36,142	63	964,707	95,240	1,059,947
<b><u>2nd Quarter ended 31 March 2007</u></b>									
Balance at 1 January 2007	276,903	15,799	673,987	(82,121)	41,290	149	926,007	85,132	1,011,139
Currency exchange difference	-	-	-	3,921	-	-	3,921	(831)	3,090
Net gains/(losses) recognised directly in equity	-	-	-	3,921	-	-	3,921	(831)	3,090
Profit after taxation	-	-	38,646	-	-	-	38,646	10,456	49,102
Total recognised gains	-	-	38,646	3,921	-	-	42,567	9,625	52,192
Share capital contribution by minority interests	-	-	-	-	-	-	-	2,426	2,426
Issue of shares in the Company upon exercise of Share Options	425	-	-	-	-	(78)	347	-	347
Dividend paid to minority interests	-	-	-	-	-	-	-	(7,019)	(7,019)
Acquisition of a subsidiary company	-	-	-	-	-	-	-	2,181	2,181
<b><u>Dividends</u></b>									
Additional dividend due to exercise of share options	-	-	(10)	-	10	-	-	-	-
Final dividend paid for the previous year	-	-	-	-	(41,300)	-	(41,300)	-	(41,300)
Interim dividend proposed for the year	-	-	(36,140)	-	36,140	-	-	-	-
	-	-	(36,150)	-	(5,150)	-	(41,300)	-	(41,300)
Balance at 31 March 2007	277,328	15,799	676,483	(78,200)	36,140	71	927,621	92,345	1,019,966

**STATEMENT OF CHANGES IN EQUITY (cont'd)**

	<b>Company</b>				
	Share Capital \$'000	Revenue Reserve \$'000	Dividend Reserve \$'000	Other Reserves \$'000	Total \$'000
<b><u>2nd Quarter ended 31 March 2008</u></b>					
Balance at 1 January 2008	277,411	652,729	46,469	63	976,672
Profit after taxation	-	16,494	-	-	16,494
Total recognised gains	-	16,494	-	-	16,494
<b><u>Dividends</u></b>					
Final dividend paid for the previous year	-	-	(46,469)	-	(46,469)
Interim dividend proposed for the year	-	(36,142)	36,142	-	-
	-	(36,142)	(10,327)	-	(46,469)
Balance at 31 March 2008	277,411	633,081	36,142	63	946,697
<b><u>2nd Quarter ended 31 March 2007</u></b>					
Balance at 1 January 2007	276,903	597,539	41,290	149	915,881
Profit after taxation	-	34,611	-	-	34,611
Total recognised gains	-	34,611	-	-	34,611
Issue of shares in the Company upon exercise of Share Options	425	-	-	(78)	347
<b><u>Dividends</u></b>					
Additional dividend due to exercise of share options	-	(10)	10	-	-
Final dividend paid for the previous year	-	-	(41,300)	-	(41,300)
Interim dividend proposed for the year	-	(36,140)	36,140	-	-
	-	(36,150)	(5,150)	-	(41,300)
Balance at 31 March 2007	277,328	596,000	36,140	71	909,539

**1(d)(ii) SHARE CAPITAL**

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	<b><u>Number of Shares</u></b>	
	<b>2nd Quarter to 31/3/2008</b>	<b>1st Quarter to 31/12/2007</b>
Issued Share Capital of ordinary shares:		
As at beginning and end of period	258,159,099	258,159,099
	<b>As at 31/3/2008</b>	<b>As at 31/3/2007</b>
The number of shares that may be issued on exercise of share options outstanding at the end of the period	107,749	121,619

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have applied the same accounting policies and methods of computation as in the most recently audited financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) based on the weighted average number of ordinary shares on issue and  
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2nd Quarter to 31/3/2008	2nd Quarter to 31/3/2007	6 Months to 31/3/2008	6 Months to 31/3/2007
Earnings per ordinary share (cents):				
(a) Based on the weighted average number of ordinary shares on issue				
- before exceptional items	18.0	15.0	35.0	30.7
- after exceptional items	16.9	15.0	33.4	30.6
(b) On a fully diluted basis				
- before exceptional items	18.0	15.0	35.0	30.7
- after exceptional items	16.9	15.0	33.4	30.6

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	Group		Company	
	As at 31/3/2008	As at 30/9/2007	As at 31/3/2008	As at 30/9/2007
Net asset value per ordinary share based on issued share capital	\$3.74	\$3.69	\$3.67	\$3.68

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The principal activities of the Group are the brewing and sale of beer and stout. These activities are carried out through the Company's subsidiaries, joint ventures and associated companies to which the Company provides management and administrative services.

**REVIEW OF PERFORMANCE – 2ND QUARTER**

The Directors are pleased to report another quarter of strong performance for the period ending 31 March 2008. Group profit before interest and tax ("PBIT") at \$85.7 million registered an increase of \$13.3 million or 18% over last year. Excluding translation difference and gestation losses\*, PBIT grew organically by 25%.

Attributable net profit before exceptional items ("APBE") increased by \$7.8 million or 20% to reach \$46.4 million. Excluding translation difference and gestation losses\*, APBE increased organically by 27%.

	PBIT \$'000	APBE \$'000
Quarter to Date results (as announced)	85,697	46,413
Add: Gestation losses *	2,698	2,323
Translation losses	4,199	1,747
Adjusted Quarter to Date results (a)	92,594	50,483
Last year's results (as announced)	72,428	38,646
Add: Gestation losses *	1,566	1,009
Adjusted Quarter 2 results (b)	73,994	39,655
Organic Growth (c) = (a) – (b)	18,600	10,828
Organic Growth % (c) / (b)	25.1%	27.3%

\* gestation losses refers to the 1st 3 years' results from greenfield breweries in Laos, Ulaanbaatar (Mongolia) and Hyderabad (Andhra Pradesh, India).

**Singapore**

Overall volume grew 3% with contract brew and domestic sales performing better than last year. PBIT rose 46% due to higher volume and better sales mix.

**Malaysia**

PBIT improved by 5% on the back of volume growth of 8%.

**Papua New Guinea**

PBIT gained 10% due to improved margins from price increases and volume growth of 3%.

**New Zealand**

Volume grew 6% due to continued growth in the premium and alcoholic ready to drink beverage segments. PBIT climbed 10% due to volume growth and the appreciation of the New Zealand dollar. Without the effects of translation differences, PBIT grew organically by 5%.

**Indochina**

Volume was comparable to last year, with growth in Cambodia limited by capacity constraints. However, PBIT rose 19% due to the synergies realised from the alignment of its operations in South Vietnam. Had it not been for the gestation loss from Laos and translation losses arising from the weaker US dollar and Vietnamese Dong, PBIT would have grown organically by 29%.

**China**

Volume grew marginally by 1% due to intense competition. Loss before interest and tax of \$3.0 million grew compared to last year following raw material price and operating costs increases.

**Thailand**

Despite the intense competition and increasing regulatory restrictions on the consumption and advertising of alcoholic products, the operation witnessed strong recovery with volume growth of 26% for the quarter. PBIT more than doubled to \$2.0 million compared to the same period last year due to higher sales, improved sales mix and marginal price increases.

**South Asia (India and Sri Lanka) and Mongolia**

Losses from our operations in Sri Lanka, India and Mongolia stood at \$2.9m due to investments in brand launches in Aurangabad, India and gestation losses from greenfield breweries in Hyderabad (Andhra Pradesh, India) and Ulaanbaatar (Mongolia).

**Corporate Office**

Corporate expenses incurred were higher mainly due to higher marketing investments.

**Taxation**

The group effective tax rate of 29.3% (2Q 2007: 33.4%) is higher than the Singapore statutory tax rate of 18%. This is mainly due to taxes on the profits of overseas subsidiaries located in high tax regimes. It is lower than the effective tax rate for Q2 in 2007 as some subsidiaries utilised brought forward losses to offset their current year taxable profits.

**REVIEW OF BALANCE SHEET****Company**

The increase in investment in subsidiaries was mainly due to the capital injection in India and Sri Lanka. The increase in investment in joint venture companies was mainly due to the capitalization of shareholders' loan which correspondingly reduced the amount due from joint venture and associated companies. The decrease in other debtors was mainly due to the settlement of royalty fees from our subsidiary company.

**Group**

The increase in fixed assets was mainly due to the construction of greenfield breweries in India and Laos. The increase in joint venture companies was due to the profits made during the period. Decrease in intangibles was due to the disposal of interest in a subsidiary company and the effects of foreign currency differences. Trade receivables and payables increase were due to higher sales and increase in purchase of raw materials respectively.

**REVIEW OF CASHFLOW**

The cash generated from operation and short term loans were mainly used to finance seasonal increase in working capital, payment of dividends, purchase of fixed assets and repayment of loans.

9. **Where as forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**OUTLOOK**

The Company will continue to invest in existing and new markets to secure long term and sustainable profitability of the Company. Barring unforeseen developments, we expect attributable profit (before exceptional items) for the full year to be higher than last year.

11. **If a decision regarding dividend has been made:-**

(a) **Whether an interim ordinary dividend has been declared: Yes**

(b) (i) **Amount per share** : 14 cents, tax exempt (one-tier)

(ii) **Previous corresponding period** : 14 cents, tax exempt (one-tier)

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Tax exempt (one-tier).

(d) **The date the dividend is payable.**

The Directors have declared an interim dividend of 14 cents per share, tax exempt (one-tier), to be paid on 10 June 2008 (last year: 14 cents per share, tax exempt (one-tier)).

(e) **Book Closure date**

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 8 Cross Street, #11-00 PWC Building, Singapore 048424 up to 5.00pm on 28 May 2008 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 29 May 2008 and 30 May 2008 for the preparation of dividend warrants.

**12. INTERESTED PERSON TRANSACTIONS**

Particulars of interested person transactions for the period 1 October 2007 to 31 March 2008 as required under SGX Listing Rule 907.

<b>Name of interested person</b>	<b>Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 902)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
Heineken Group of Companies ("Heineken")	2,717,362	16,488,897
Fraser and Neave, Limited ("F&NL")	321,874	713,252
Fraser & Neave Holdings Bhd	-	7,103,578

BY ORDER OF THE BOARD  
Anthony Cheong Fook Seng  
Company Secretary

9 May 2008

STATEMENT BY DIRECTORS  
Pursuant to SGX Listing Rule 705(4)

To the best of our knowledge, nothing has come to the attention of the Directors which may render the interim financial results to be false or misleading. Based on our knowledge, the financial statements and other financial information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report.

On behalf of the Board

Simon Israel  
Chairman

Koh Poh Tiong  
Director