



ASIA PACIFIC BREWERIES LIMITED

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

THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2006

The Directors are pleased to make the following announcement of the unaudited results for the 3rd Quarter ended 30 June 2006.

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

| | 3rd Quarter to 30/6/2006 | 3rd Quarter to 30/6/2005 (Restated) | Change | 9 Months to 30/6/2006 | 9 Months to 30/6/2005 (Restated) | Change |
|---|-----------------------------|---|--------|--------------------------|--|--------|
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Revenue | 353,786 | 347,228 | 1.9 | 1,163,426 | 1,106,193 | 5.2 |
| Cost of sales | (213,293) | (203,838) | 4.6 | (698,419) | (654,115) | 6.8 |
| Gross profit | 140,493 | 143,390 | (2.0) | 465,007 | 452,078 | 2.9 |
| Operating expenses | | | | | | |
| - Distribution | (13,491) | (12,668) | 6.5 | (40,401) | (36,857) | 9.6 |
| - Marketing | (43,869) | (66,968) | (34.5) | (153,946) | (186,601) | (17.5) |
| - Administration | (25,799) | (25,761) | 0.1 | (80,260) | (76,282) | 5.2 |
| | (83,159) | (105,397) | (21.1) | (274,607) | (299,740) | (8.4) |
| Trading profit | 57,334 | 37,993 | 50.9 | 190,400 | 152,338 | 25.0 |
| Share of joint venture and associated companies' profits | 8,708 | 8,019 | 8.6 | 15,152 | 19,501 | (22.3) |
| Gross income from investments | 631 | 958 | (34.1) | 2,735 | 2,730 | 0.2 |
| Profit before interest, taxation and exceptional items | 66,673 | 46,970 | 41.9 | 208,287 | 174,569 | 19.3 |
| Net interest income | 263 | 1,545 | (83.0) | 532 | 3,470 | (84.7) |
| Profit before taxation and exceptional items | 66,936 | 48,515 | 38.0 | 208,819 | 178,039 | 17.3 |
| Exceptional items | (3,252) | (754) | 331.3 | (2,553) | (2,930) | (12.9) |
| Profit before taxation | 63,684 | 47,761 | 33.3 | 206,266 | 175,109 | 17.8 |
| Taxation | (15,695) | (17,897) | (12.3) | (56,511) | (56,794) | (0.5) |
| Profit after taxation | 47,989 | 29,864 | 60.7 | 149,755 | 118,315 | 26.6 |
| Attributable profit to: Shareholders of the Company | | | | | | |
| - Before exceptional items | 30,590 | 21,291 | 43.7 | 108,477 | 91,857 | 18.1 |
| - Exceptional items | (2,881) | (893) | 222.6 | (2,153) | (3,096) | (30.5) |
| | 27,709 | 20,398 | 35.8 | 106,324 | 88,761 | 19.8 |
| Minority interests | 20,280 | 9,466 | 114.2 | 43,431 | 29,554 | 47.0 |
| | 47,989 | 29,864 | 60.7 | 149,755 | 118,315 | 26.6 |

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

| | 3rd Quarter to 30/6/2006 | 3rd Quarter to 30/6/2005 (Restated) | Change | 9 Months to 30/6/2006 | 9 Months to 30/6/2005 (Restated) | Change |
|---|-----------------------------|---|--------|--------------------------|--|--------|
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Investment income | | | | | | |
| (A) Gross income from investments | 631 | 958 | (34.1) | 2,735 | 2,730 | 0.2 |
| Net interest income | | | | | | |
| (B) Interest income | 1,409 | 2,131 | (33.9) | 3,908 | 5,161 | (24.3) |
| (C) Interest expenses | (1,146) | (586) | 95.6 | (3,376) | (1,691) | 99.6 |
| | <u>263</u> | <u>1,545</u> | (83.0) | <u>532</u> | <u>3,470</u> | (84.7) |
| Operating expenses | | | | | | |
| Included in operating expenses are: | | | | | | |
| (D) Depreciation & amortisation | (11,206) | (9,064) | 23.6 | (33,911) | (30,015) | 13.0 |
| (E) Provision for doubtful debts & bad debts written (off)/back | (124) | 588 | NM | (148) | (157) | (5.7) |
| (F) Write (off)/back for inventory obsolescence | (202) | 95 | NM | (182) | 49 | NM |
| (G) Impairment in value of investments | - | - | - | - | - | - |
| (H) Foreign exchange (loss)/gain | (754) | 116 | NM | (2,436) | (915) | 166.2 |
| (I) (Loss)/profit on sale of fixed assets | (8) | (165) | (95.2) | 80 | 11 | NM |
| (J) Employee share-based expense | (373) | (311) | 19.9 | (1,069) | (913) | 17.1 |
| Taxation | | | | | | |
| (K) Over/(under) provision of prior year taxation | - | (5) | NM | 1,307 | 976 | 33.9 |
| (L) Exceptional items | | | | | | |
| Gain on disposal of investments/properties | - | 382 | NM | 1,847 | 714 | 158.7 |
| Restructuring cost | (69) | (97) | (28.9) | (232) | (269) | (13.8) |
| Professional fee | (1,183) | (1,039) | 13.9 | (2,168) | (3,375) | (35.8) |
| Donation to APB Foundation | (2,000) | - | NM | (2,000) | - | NM |
| | <u>(3,252)</u> | <u>(754)</u> | 331.3 | <u>(2,553)</u> | <u>(2,930)</u> | (12.9) |
| (M) Extraordinary items | - | - | - | - | - | - |
| (N) Profit before interest, taxation and exceptional items as a percentage of revenue | <u>18.8%</u> | <u>13.5%</u> | | <u>17.9%</u> | <u>15.8%</u> | |

NM - Not meaningful

1(a)(iii) ADDITIONAL INFORMATION

GROUP REVENUE AND PROFIT ANALYSIS

| | 3rd Quarter to 30/6/2006 \$'000 | 3rd Quarter to 30/6/2005 (Restated) \$'000 | 9 months to 30/6/2006 \$'000 | 9 months to 30/6/2005 (Restated) \$'000 |
|---|---------------------------------------|---|------------------------------------|--|
| Revenue | | | | |
| By Business Activity | | | | |
| Brewery operations - subsidiary companies | 353,132 | 346,610 | 1,161,500 | 1,104,235 |
| Corporate office | 654 | 618 | 1,926 | 1,958 |
| | <u>353,786</u> | <u>347,228</u> | <u>1,163,426</u> | <u>1,106,193</u> |
| By Territory | | | | |
| Singapore | 112,006 | 103,415 | 339,532 | 318,350 |
| Papua New Guinea | 41,097 | 38,970 | 123,419 | 105,583 |
| New Zealand | 75,447 | 95,509 | 285,700 | 329,052 |
| Indochina | 122,238 | 108,716 | 406,712 | 351,250 |
| Sri Lanka/Mongolia | 2,344 | - | 6,137 | - |
| Corporate office | 654 | 618 | 1,926 | 1,958 |
| | <u>353,786</u> | <u>347,228</u> | <u>1,163,426</u> | <u>1,106,193</u> |
| Profit before interest, taxation and exceptional items | | | | |
| By Business Activity | | | | |
| Brewery operations | | | | |
| - subsidiary companies | 77,369 | 52,141 | 215,426 | 177,467 |
| - joint venture and associated companies | 8,708 | 8,019 | 15,152 | 19,501 |
| Investment income | 631 | 958 | 2,735 | 2,730 |
| Corporate office | (20,035) | (14,148) | (25,026) | (25,129) |
| | <u>66,673</u> | <u>46,970</u> | <u>208,287</u> | <u>174,569</u> |
| By Territory | | | | |
| Singapore | 11,859 | 10,151 | 34,213 | 34,015 |
| Malaysia | 2,378 | 3,438 | 10,410 | 11,119 |
| Papua New Guinea | 10,350 | 9,715 | 29,760 | 24,722 |
| New Zealand | 6,013 | 10,609 | 44,106 | 49,260 |
| Indochina | 52,923 | 23,671 | 117,294 | 77,093 |
| China | 2,631 | 1,547 | (3,513) | (3,906) |
| Thailand | 1,759 | 1,987 | 3,261 | 7,395 |
| Sri Lanka/Mongolia | (1,205) | - | (2,218) | - |
| Corporate office | (20,035) | (14,148) | (25,026) | (25,129) |
| | <u>66,673</u> | <u>46,970</u> | <u>208,287</u> | <u>174,569</u> |
| Attributable profit | | | | |
| By Business Activity | | | | |
| Brewery operations | | | | |
| - subsidiary companies | 42,734 | 30,106 | 122,936 | 104,620 |
| - joint venture and associated companies | 7,115 | 6,349 | 10,185 | 12,781 |
| Investment income | 428 | 664 | 1,898 | 1,852 |
| Corporate office | (19,687) | (15,828) | (26,542) | (27,396) |
| | <u>30,590</u> | <u>21,291</u> | <u>108,477</u> | <u>91,857</u> |
| Exceptional items | (2,881) | (893) | (2,153) | (3,096) |
| | <u>27,709</u> | <u>20,398</u> | <u>106,324</u> | <u>88,761</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.

BALANCE SHEET

| | Group | | Company | |
|---|------------------------------|--|------------------------------|--|
| | As at 30/6/2006 \$'000 | As at 30/9/2005 (Restated) \$'000 | As at 30/6/2006 \$'000 | As at 30/9/2005 (Restated) \$'000 |
| Fixed assets | 503,211 | 525,840 | 1,818 | 1,989 |
| Subsidiary companies | - | - | 599,352 | 576,891 |
| Joint venture companies | 257,338 | 263,612 | 261,293 | 253,155 |
| Associated company | 369 | 445 | - | - |
| Other investments | 51,273 | 41,532 | 28 | 589 |
| Intangibles | 100,638 | 100,958 | 3,947 | 4,267 |
| Deferred tax assets | 509 | 1,201 | - | - |
| CURRENT ASSETS | | | | |
| Inventories | 78,625 | 91,108 | - | - |
| Trade debtors | 102,751 | 94,012 | - | - |
| Other debtors | 23,098 | 21,744 | 1,327 | 5,734 |
| Amounts due from subsidiary companies | - | - | 38,163 | 26,122 |
| Amounts due from joint venture companies | 21,532 | 18,440 | 21,515 | 18,342 |
| Amounts due from related companies | 11,865 | 863 | 167 | 195 |
| Short term investments | 11,709 | 11,481 | - | - |
| Bank fixed deposits | 80,018 | 72,218 | 6,633 | 1,930 |
| Cash and bank balances | 28,822 | 30,610 | 769 | 1,022 |
| | 358,420 | 340,476 | 68,574 | 53,345 |
| Deduct: CURRENT LIABILITIES | | | | |
| Trade creditors | 114,676 | 116,770 | 69 | - |
| Other creditors | 82,457 | 99,007 | 15,113 | 25,562 |
| Amounts due to joint venture and associated companies | 3,679 | 4,378 | 7 | 1,740 |
| Amounts due to related companies | 20,107 | 18,536 | 9,564 | 6,832 |
| Bank borrowings | 76,047 | 38,029 | 9,000 | - |
| Provision for taxation | 34,712 | 30,118 | 10,238 | 8,638 |
| | 331,678 | 306,838 | 43,991 | 42,772 |
| NET CURRENT ASSETS | 26,742 | 33,638 | 24,583 | 10,573 |
| | 940,080 | 967,226 | 891,021 | 847,464 |
| Deduct: DEFERRED LIABILITIES | | | | |
| Bank borrowings | - | 1,995 | - | - |
| Deferred tax liabilities | 24,303 | 23,900 | - | - |
| Provision for employee benefits | 3,013 | 2,967 | - | - |
| | 27,316 | 28,862 | - | - |
| | 912,764 | 938,364 | 891,021 | 847,464 |
| Financed by: | | | | |
| Share capital | 268,880 | 256,405 | 268,880 | 256,405 |
| Reserves | 568,480 | 608,117 | 622,141 | 591,059 |
| | 837,360 | 864,522 | 891,021 | 847,464 |
| Minority interests | 75,404 | 73,842 | - | - |
| | 912,764 | 938,364 | 891,021 | 847,464 |

- 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

| | As at 30/6/2006 | As at 30/9/2005 |
|-------------|------------------------|------------------------|
| | \$'000 | \$'000 |
| Secured : | 5,897 | 1,324 |
| Unsecured : | 70,150 | 36,705 |
| | <hr/> | <hr/> |
| | 76,047 | 38,029 |
| | <hr/> <hr/> | <hr/> <hr/> |

Amount repayable after one year

| | As at 30/6/2006 | As at 30/9/2005 |
|-------------|------------------------|------------------------|
| | \$'000 | \$'000 |
| Secured : | - | 1,995 |
| Unsecured : | - | - |
| | <hr/> | <hr/> |
| | - | 1,995 |
| | <hr/> <hr/> | <hr/> <hr/> |

Details of any collateral

The secured borrowings as at 30 June 2006 are secured by a primary mortgage on the assets of the borrowing subsidiary company.

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

| | 3rd Quarter to 30/6/2006 | 3rd Quarter to 30/6/2005 (Restated) | 9 Months to 30/6/2006 | 9 Months to 30/6/2005 (Restated) |
|--|-----------------------------|---|--------------------------|--|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | | |
| Profit before taxation and exceptional items | 66,936 | 48,515 | 208,819 | 178,039 |
| Adjustments for: | | | | |
| Depreciation of fixed assets | 11,100 | 8,957 | 33,591 | 29,695 |
| Provision for employee benefits | 76 | 412 | 459 | 669 |
| Amortisation of brand | 106 | 107 | 320 | 320 |
| Share of joint venture and associated companies' profits | (8,708) | (8,019) | (15,152) | (19,501) |
| Net interest income | (263) | (1,545) | (532) | (3,470) |
| Investment income | (631) | (958) | (2,735) | (2,730) |
| Provision for fixed assets write off | 101 | 377 | 168 | 131 |
| Loss/(Gain) on disposal of fixed assets | 8 | 165 | (80) | (11) |
| Fair value gain on derivatives | (96) | - | (871) | - |
| Employee share-based expense | 373 | 311 | 1,069 | 913 |
| Operating cash before working capital changes | 69,002 | 48,322 | 225,056 | 184,055 |
| Change in inventories | 3,303 | (2,788) | 12,483 | 473 |
| Change in trade and other debtors | 19,601 | (7,140) | (9,783) | (25,417) |
| Change in trade and other creditors | (3,903) | 22,979 | (24,748) | 44,039 |
| Change in related companies' balances | (13,511) | 1,583 | (13,222) | (8,096) |
| Currency realignment | (5,380) | 1,184 | (6,412) | 2,715 |
| Cash generated from operations | 69,112 | 64,140 | 183,374 | 197,769 |
| Net interest received | 171 | 1,544 | 647 | 2,827 |
| Employee benefits paid | (106) | (142) | (220) | (229) |
| Income taxes paid | (15,721) | (15,439) | (43,315) | (45,128) |
| Net cash from operating activities | 53,456 | 50,103 | 140,486 | 155,239 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | | |
| Dividends from joint venture companies | 7,669 | 7,093 | 16,469 | 15,596 |
| Investment income | 938 | 986 | 3,168 | 2,555 |
| Proceeds from disposal of fixed assets | 271 | 476 | 1,961 | 1,141 |
| Proceeds from sale of investments | - | - | 2,407 | 4,545 |
| Purchase of fixed assets | (14,351) | (10,495) | (54,363) | (39,305) |
| Loans to joint venture company | - | (23,849) | (8,992) | (29,399) |
| Repayment of/(additional) trade advance | 1,026 | (1,248) | (2,875) | (9,050) |
| Purchase of investments | (17,180) | - | (17,180) | - |
| Purchase of minorities' shares in a subsidiary company | - | - | - | (2,842) |
| Net cash used in investing activities | (21,627) | (27,037) | (59,405) | (56,759) |

GROUP CASH FLOW STATEMENT (cont'd)

| | 3rd Quarter to 30/6/2006 \$'000 | 3rd Quarter to 30/6/2005 (Restated) \$'000 | 9 Months to 30/6/2006 \$'000 | 9 Months to 30/6/2005 (Restated) \$'000 |
|---|---------------------------------------|---|------------------------------------|--|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of shares by the company | 472 | 741 | 2,492 | 2,163 |
| Proceeds from issue of shares by a subsidiary company | 1,310 | - | 2,045 | - |
| Proceeds from bank borrowings | 8,169 | 16,546 | 41,176 | 12,280 |
| Payment of dividends: | | | | |
| - by parent company to shareholders | (35,967) | (35,840) | (77,050) | (71,645) |
| - by subsidiaries to minority interests | (21,618) | (10,713) | (37,705) | (14,180) |
| Net cash used in financing activities | (47,634) | (29,266) | (69,042) | (71,382) |
| Net (decrease)/increase in cash and cash equivalents | (15,805) | (6,200) | 12,039 | 27,098 |
| Cash and cash equivalents at beginning of period | 126,321 | 144,328 | 102,146 | 112,898 |
| Effects of exchange rate changes on cash and cash equivalents | (1,866) | 1,188 | (5,535) | (680) |
| Cash and cash equivalents at end of period | 108,650 | 139,316 | 108,650 | 139,316 |
| Cash and cash equivalents at end of period consist of: | | | | |
| Bank fixed deposits | 80,018 | 115,257 | 80,018 | 115,257 |
| Cash and bank balances | 28,822 | 31,002 | 28,822 | 31,002 |
| Bank overdrafts | (190) | (6,943) | (190) | (6,943) |
| | 108,650 | 139,316 | 108,650 | 139,316 |

- 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 | Share Premium \$'000 | Capital Reserve \$'000 | Revenue Reserve \$'000 | Exchange Reserve \$'000 | Dividend Reserve \$'000 | Other Reserve \$'000 | Total \$'000 | Minority Interests \$'000 | Total Equity \$'000 |
| 3rd Quarter ended 30 June 2006 | | | | | | | | | | |
| Balance at 1 April 2006 | 268,408 | - | 15,799 | 624,079 | (84,633) | 35,957 | 1,306 | 860,916 | 77,219 | 938,135 |
| Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies | - | - | - | - | (15,888) | - | - | (15,888) | (1,787) | (17,675) |
| Contribution of share capital by minority interests | - | - | - | - | - | - | - | - | 1,310 | 1,310 |
| Issue of shares in the Company upon exercise of Executives' Share Options | 472 | - | - | - | - | - | - | 472 | - | 472 |
| Dividend paid to minority interests | - | - | - | - | - | - | - | - | (21,618) | (21,618) |
| Employee share-based expense | - | - | - | - | - | - | 118 | 118 | - | 118 |
| Profit after taxation | - | - | - | 27,709 | - | - | - | 27,709 | 20,280 | 47,989 |
| Dividends | | | | | | | | | | |
| Additional dividend due to exercise of share options | - | - | - | (10) | - | - | - | (10) | - | (10) |
| Interim dividend paid for the year | - | - | - | - | - | (35,957) | - | (35,957) | - | (35,957) |
| | - | - | - | (10) | - | (35,957) | - | (35,967) | - | (35,967) |
| Balance at 30 June 2006 | 268,880 | - | 15,799 | 651,778 | (100,521) | - | 1,424 | 837,360 | 75,404 | 912,764 |
| 3rd Quarter ended 30 June 2005 | | | | | | | | | | |
| Balance at 1 April 2005 | | | | | | | | | | |
| - As previously reported | 255,817 | 7,972 | 15,799 | 578,255 | (53,780) | 35,814 | - | 839,877 | 77,768 | 917,645 |
| - Effect of adopting FRS 102 | - | - | - | (1,138) | - | - | 800 | (338) | - | (338) |
| - As restated | 255,817 | 7,972 | 15,799 | 577,117 | (53,780) | 35,814 | 800 | 839,539 | 77,768 | 917,307 |
| Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies | - | - | - | - | 6,230 | - | - | 6,230 | 1,413 | 7,643 |
| Issue of shares in the Company upon exercise of Executives' Share Options | 190 | 551 | - | - | - | - | - | 741 | - | 741 |
| Dividend paid to minority interests | - | - | - | - | - | - | - | - | (10,713) | (10,713) |
| Employee share-based expense | - | - | - | - | - | - | 135 | 135 | - | 135 |
| Profit after taxation | - | - | - | 20,398 | - | - | - | 20,398 | 9,466 | 29,864 |
| Dividends | | | | | | | | | | |
| Additional dividend due to exercise of share options | - | - | - | (26) | - | 26 | - | - | - | - |
| Interim dividend paid for the year | - | - | - | - | - | (35,840) | - | (35,840) | - | (35,840) |
| | - | - | - | (26) | - | (35,814) | - | (35,840) | - | (35,840) |
| Balance at 30 June 2005 | 256,007 | 8,523 | 15,799 | 597,489 | (47,550) | - | 935 | 831,203 | 77,934 | 909,137 |

STATEMENT OF CHANGES IN EQUITY (cont'd)

| | Company | | | | | | Total \$'000 |
|--|----------------------------|----------------------------|------------------------------|-------------------------------|-------------------------------|----------------------------|-----------------|
| | Share Capital \$'000 | Share Premium \$'000 | Revenue Reserve \$'000 | Exchange Reserve \$'000 | Dividend Reserve \$'000 | Other Reserve \$'000 | |
| 3rd Quarter ended 30 June 2006 | | | | | | | |
| Balance at 1 April 2006 | 268,408 | - | 556,400 | - | 35,957 | 1,306 | 862,071 |
| Issue of shares in the Company upon exercise of Executives' Share Options | 472 | - | - | - | - | - | 472 |
| Employee share-based expense | - | - | - | - | - | 118 | 118 |
| Profit after taxation | - | - | 64,327 | - | - | - | 64,327 |
| <u>Dividends</u> | | | | | | | |
| Additional dividend due to exercise of Executives' Share Options | - | - | (10) | - | - | - | (10) |
| Interim dividend paid for the year | - | - | - | - | (35,957) | - | (35,957) |
| | - | - | (10) | - | (35,957) | - | (35,967) |
| Balance at 30 June 2006 | 268,880 | - | 620,717 | - | - | 1,424 | 891,021 |
| 3rd Quarter ended 30 June 2005 | | | | | | | |
| Balance at 1 April 2005 | | | | | | | |
| - As previously reported | 255,817 | 7,972 | 547,391 | (785) | 35,814 | - | 846,209 |
| - Effect of adopting FRS 102 | - | - | (1,138) | - | - | 800 | (338) |
| - Effect of reporting FRS 21 | - | - | (785) | 785 | - | - | - |
| | 255,817 | 7,972 | 545,468 | - | 35,814 | 800 | 845,871 |
| Issue of shares in the Company upon exercise of Executives' Share Options | 190 | 551 | - | - | - | - | 741 |
| Employee share-based expense | - | - | - | - | - | 135 | 135 |
| Profit after taxation | - | - | 16,675 | - | - | - | 16,675 |
| <u>Dividends</u> | | | | | | | |
| Additional dividend due to exercise of Executives' Share Options | - | - | (26) | - | 26 | - | - |
| Interim dividend paid for the year | - | - | - | - | (35,840) | - | (35,840) |
| | - | - | (26) | - | (35,814) | - | (35,840) |
| Balance at 30 June 2005 | 256,007 | 8,523 | 562,117 | - | - | 935 | 827,582 |

STATEMENT OF CHANGES IN EQUITY (cont'd)

| | Group | | | | | | | | | |
|--|----------------------------|----------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|----------------------------|-----------------|---------------------------------|---------------------------|
| | Share Capital \$'000 | Share Premium \$'000 | Capital Reserve \$'000 | Revenue Reserve \$'000 | Exchange Reserve \$'000 | Dividend Reserve \$'000 | Other Reserve \$'000 | Total \$'000 | Minority Interests \$'000 | Total Equity \$'000 |
| 9 Months ended 30 June 2006 | | | | | | | | | | |
| Balance at 1 October 2005 | | | | | | | | | | |
| - As previously reported | 256,405 | 9,983 | 15,799 | 584,435 | (42,430) | 41,025 | - | 865,217 | 73,842 | 939,059 |
| - Effect of adopting FRS 102 | - | - | - | (1,767) | - | - | 1,072 | (695) | - | (695) |
| - As restated | 256,405 | 9,983 | 15,799 | 582,668 | (42,430) | 41,025 | 1,072 | 864,522 | 73,842 | 938,364 |
| Effect of adopting FRS 39 | - | - | - | (1,189) | - | - | 1,184 | (5) | (500) | (505) |
| | 256,405 | 9,983 | 15,799 | 581,479 | (42,430) | 41,025 | 2,256 | 864,517 | 73,342 | 937,859 |
| Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies | - | - | - | - | (58,091) | - | - | (58,091) | (6,153) | (64,244) |
| Disposal of available-for-sale financial assets | - | - | - | - | - | - | (1,851) | (1,851) | - | (1,851) |
| Net change in fair value of cashflow hedge | - | - | - | - | - | - | 667 | 667 | 444 | 1,111 |
| Net losses not recognised in the profit statement | - | - | - | - | (58,091) | - | (1,184) | (59,275) | (5,709) | (64,984) |
| Contribution of share capital by minority interests | - | - | - | - | - | - | - | - | 2,045 | 2,045 |
| Issue of shares in the Company upon exercise of Executives' Share Options | 1,200 | 1,292 | - | - | - | - | - | 2,492 | - | 2,492 |
| Transfer to share capital * | 11,275 | (11,275) | - | - | - | - | - | - | - | - |
| Dividend paid to minority interests | - | - | - | - | - | - | - | - | (37,705) | (37,705) |
| Employee share-based expense | - | - | - | - | - | - | 352 | 352 | - | 352 |
| Profit after taxation | - | - | - | 106,324 | - | - | - | 106,324 | 43,431 | 149,755 |
| Dividends | | | | | | | | | | |
| Additional dividend due to exercise of share options | - | - | - | (58) | - | 58 | - | - | - | - |
| Final dividend paid for the previous year | - | - | - | - | - | (41,083) | - | (41,083) | - | (41,083) |
| Interim dividend paid for the year | - | - | - | (35,967) | - | - | - | (35,967) | - | (35,967) |
| | - | - | - | (36,025) | - | (41,025) | - | (77,050) | - | (77,050) |
| Balance at 30 June 2006 | 268,880 | - | 15,799 | 651,778 | (100,521) | - | 1,424 | 837,360 | 75,404 | 912,764 |
| 9 Months ended 30 June 2005 | | | | | | | | | | |
| Balance at 1 October 2004 | | | | | | | | | | |
| - As previously reported | 255,450 | 6,917 | 15,799 | 545,146 | (52,416) | 35,763 | - | 806,659 | 63,096 | 869,755 |
| - Effect of adopting FRS 102 | - | - | - | (536) | - | - | 536 | - | - | - |
| - As restated | 255,450 | 6,917 | 15,799 | 544,610 | (52,416) | 35,763 | 536 | 806,659 | 63,096 | 869,755 |
| Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies | - | - | - | - | 4,866 | - | - | 4,866 | 443 | 5,309 |
| Change in group structure | - | - | - | - | - | - | - | - | (979) | (979) |
| Issue of shares in the Company upon exercise of Executives' Share Options | 557 | 1,606 | - | - | - | - | - | 2,163 | - | 2,163 |
| Dividend paid to minority interests | - | - | - | - | - | - | - | - | (14,180) | (14,180) |
| Employee share-based expense | - | - | - | - | - | - | 399 | 399 | - | 399 |
| Profit after taxation | - | - | - | 88,761 | - | - | - | 88,761 | 29,554 | 118,315 |
| Dividends | | | | | | | | | | |
| Additional dividend due to exercise of share options | - | - | - | (42) | - | 42 | - | - | - | - |
| Final dividend paid for the previous year | - | - | - | - | - | (35,805) | - | (35,805) | - | (35,805) |
| Interim dividend paid for the year | - | - | - | (35,840) | - | - | - | (35,840) | - | (35,840) |
| | - | - | - | (35,882) | - | (35,763) | - | (71,645) | - | (71,645) |
| Balance at 30 June 2005 | 256,007 | 8,523 | 15,799 | 597,489 | (47,550) | - | 935 | 831,203 | 77,934 | 909,137 |

* In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the Share Premium Account has been combined into the Share Capital Account.

STATEMENT OF CHANGES IN EQUITY (cont'd)

| | Company | | | | | | Total \$'000 |
|---|----------------------------|----------------------------|------------------------------|-------------------------------|-------------------------------|----------------------------|-----------------|
| | Share Capital \$'000 | Share Premium \$'000 | Revenue Reserve \$'000 | Exchange Reserve \$'000 | Dividend Reserve \$'000 | Other Reserve \$'000 | |
| 9 Months ended 30 June 2006 | | | | | | | |
| Balance at 1 October 2005 | | | | | | | |
| - As previously reported | 256,405 | 9,983 | 541,196 | (450) | 41,025 | - | 848,159 |
| - Effect of adopting FRS 102 | - | - | (1,767) | - | - | 1,072 | (695) |
| - Effect of adopting FRS 21 | - | - | (450) | 450 | - | - | - |
| - As restated | 256,405 | 9,983 | 538,979 | - | 41,025 | 1,072 | 847,464 |
| Effect of adopting FRS 39 | - | - | (112) | - | - | 1,851 | 1,739 |
| | 256,405 | 9,983 | 538,867 | - | 41,025 | 2,923 | 849,203 |
| Issue of shares in the Company upon exercise of Executives' Share Options | 1,200 | 1,292 | - | - | - | - | 2,492 |
| Transfer to share capital * | 11,275 | (11,275) | - | - | - | - | - |
| Employee share-based expense | - | - | - | - | - | 352 | 352 |
| Disposal of available-for-sale financial assets | - | - | - | - | - | (1,851) | (1,851) |
| Profit after taxation | - | - | 117,875 | - | - | - | 117,875 |
| Dividends | | | | | | | |
| Additional dividend due to exercise of Executives' Share Options | - | - | (58) | - | 58 | - | - |
| Final dividend paid for the previous year | - | - | - | - | (41,083) | - | (41,083) |
| Interim dividend paid for the year | - | - | (35,967) | - | - | - | (35,967) |
| | - | - | (36,025) | - | (41,025) | - | (77,050) |
| Balance at 30 June 2006 | 268,880 | - | 620,717 | - | - | 1,424 | 891,021 |
| 9 Months ended 30 June 2005 | | | | | | | |
| Balance at 1 October 2004 | | | | | | | |
| - As previously reported | 255,450 | 6,917 | 528,539 | (450) | 35,763 | - | 826,219 |
| - Effect of adopting FRS 102 | - | - | (536) | - | - | 536 | - |
| - Effect of adopting FRS 21 | - | - | (450) | 450 | - | - | - |
| - As restated | 255,450 | 6,917 | 527,553 | - | 35,763 | 536 | 826,219 |
| Issue of shares in the Company upon exercise of Executives' Share Options | 557 | 1,606 | - | - | - | - | 2,163 |
| Employee share-based expense | - | - | - | - | - | 399 | 399 |
| Profit after taxation | - | - | 70,446 | - | - | - | 70,446 |
| Dividends | | | | | | | |
| Additional dividend due to exercise of Executives' Share Options | - | - | (42) | - | 42 | - | - |
| Final dividend paid for the previous year | - | - | - | - | (35,805) | - | (35,805) |
| Interim dividend paid for the year | - | - | (35,840) | - | - | - | (35,840) |
| | - | - | (35,882) | - | (35,763) | - | (71,645) |
| Balance at 30 June 2005 | 256,007 | 8,523 | 562,117 | - | - | 935 | 827,582 |

* In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the Share Premium Account has been combined into the Share Capital Account.

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.

| | Number of Shares | |
|---|-------------------------------------|-------------------------------------|
| | 3rd Quarter to 30/6/2006 | 2nd Quarter to 31/3/2006 |
| Issued and fully paid ordinary shares: | | |
| As at beginning of period | 256,836,214 | 256,523,024 |
| Issue during the period - Exercise of share options | 105,645 | 313,190 |
| | <hr/> | <hr/> |
| As at end of period | 256,941,859 | 256,836,214 |
| | <hr/> | <hr/> |
| | As at 30/6/2006 | As at 30/6/2005 |
| The number of shares that may be issued on exercise of share options outstanding at the end of the period | 1,320,589 | 2,293,439 |
| | <hr/> | <hr/> |

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 has applied the same accounting policies and methods of computation as in the most recently audited financial statements, except as disclosed in note 5 below.

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.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 30 September 2005 except for the adoption of the following new Financial Reporting Standards (FRS) that are mandatory to the Group for the financial year beginning on 1 October 2005.

| | |
|------------------|--|
| FRS 21 (Revised) | The Effect of Changes in Foreign Exchange Rates |
| FRS 39 | Financial Instruments: Recognition and Measurement |
| FRS 102 | Share-based Payment |

The impact of the changes in accounting policies is as follows:

FRS 21 (Revised)

In accordance with Revised FRS 21, the translation difference arising from the foreign currency shareholder's loan (quasi-equity) given by the Company to a joint venture company has to be taken to the profit statement of the Company and has been applied retrospectively. Consequently, the cumulative exchange differences as at 1 October 2005 of \$0.45 million has been adjusted against revenue reserve of the Company. In respect of the quarter under review, the impact on the profit of the Company is a charge of \$260,000 (Q3 2005 : credit of \$251,000). This adjustment has no impact on the Group.

FRS 39

In accordance with FRS 39, the financial effects arising from the measurement of financial instruments and financial assets at fair value will be recorded prospectively. Consequently, the comparatives for 2005 are not restated. The effects of implementing FRS 39 on 1 October 2005 are adjusted to Group shareholders' equity on that date. The impact is a decrease of \$5,000 in Group shareholders' equity on 1 October 2005 (made up of a reduction in hedging reserve and revenue reserve of \$667,000 and \$1,189,000 respectively offset by an increase in fair value reserve of \$1,851,000) and an increase of \$96,000 in Group attributable profit for the quarter.

FRS 102

In accordance with FRS 102, the implementation is recorded retrospectively and applied to share options granted after 22 November 2002 and not vested by 1 October 2005. Consequently the Group's opening reserves have been restated to take into account a cumulative charge of \$1.8 million up to 30 September 2005. The impact on the Group's attributable profit for the quarter is a charge of \$0.4 million (Q3 2005 : \$0.3 million).

In addition to the adoption of the above-mentioned FRS, the Group adopted other revisions in FRS, applicable from 1 October 2005. These do not have a material financial impact on the Group's results.

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 | | | |
|--|-----------------------------|---|--------------------------|--|
| | 3rd Quarter to 30/6/2006 | 3rd Quarter to 30/6/2005 (Restated) | 9 Months to 30/6/2006 | 9 Months to 30/6/2005 (Restated) |
| Earnings per ordinary share: | | | | |
| (a) Based on the weighted average number of ordinary shares on issue (cents) | | | | |
| - before exceptional items | 11.9 | 8.3 | 42.3 | 35.9 |
| - after exceptional items | 10.8 | 8.0 | 41.4 | 34.7 |
| (b) On a fully diluted basis (cents) | | | | |
| - before exceptional items | 11.9 | 8.3 | 42.2 | 35.8 |
| - after exceptional items | 10.8 | 7.9 | 41.3 | 34.6 |

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 30/6/2006 | As at 30/9/2005 (Restated) | As at 30/6/2006 | As at 30/9/2005 (Restated) |
| Net asset value per ordinary share based on issued share capital | \$3.26 | \$3.37 | \$3.47 | \$3.31 |

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) seasonable 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.**

REVIEW OF PERFORMANCE – 3RD QUARTER

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

During the quarter, the rates of brand royalty for past years payable by our operations in Vietnam to the brand owners were agreed. This has resulted in a one-time cancellation of royalties previously charged to the operations for prior years for an amount of \$27 million.

A part of this benefit (\$9.7 million) relates to inter-company royalties and is accordingly eliminated on consolidation at Corporate Office level. The remainder (\$17.3 million) has been recorded as a reduction in marketing expenses, and being non-taxable, represents the net positive effect on profit, both before and after tax.

Group profit before interest and tax (PBIT) at \$66.7 million increased by \$19.7 million or 42% over last year on the back of good volume growth in most operations. Excluding the benefit of the one-off adjustment on royalties of \$17.3 million (see above), and translation and gestation losses, PBIT increased by \$5.2 million or 11% over last year.

Attributable profit before exceptional items rose by \$9.3 million or 44% to reach \$30.6 million. Excluding a one-off adjustment on royalties of \$6.5 million, translation and gestation losses, attributable profit before exceptional items increased by \$5.0 million or 24% over last year.

Commentary on Performance for the Quarter

Singapore

Overall volume grew by 10% driven mainly by higher export and contract brew volumes. Export operations witnessed recovery in sales to Indonesia and volume growth in the US since the distributorship agreement with Anheuser-Busch came into effect on 1 May 2006. PBIT grew by 17%.

Malaysia

Volume grew by 1% despite prevailing weak consumer sentiments from successive excise duty increases in past years. However, PBIT fell by 31% due mainly to higher commercial spending.

Papua New Guinea

Volume grew by 3%. PBIT rose by 7% due to the higher volume and marginal price increases.

New Zealand

PBIT declined 43% due mainly to a decline in volume of 4%, suppressed pricing due to strong competitor discounting activities and the weaker NZ dollar.

Indochina

The region continues to report strong volume growth momentum of 20%. Included in Vietnam's PBIT was a one-off adjustment on royalties, following the resolution of royalty issues. Excluding the royalty adjustment of \$27 million (see above), the region's PBIT rose by 10%.

China

The group reported continuing growth in volume of 40%, signaling a good start to the summer season and lifting PBIT by 70% to \$2.6 million.

Thailand

Volume grew by 5%. However, PBIT fell by 11% due to higher brand related expenses incurred to build the *Cheers* brand equity.

New Markets

Start-up costs and losses incurred in our new markets in Sri Lanka and Mongolia totalled \$1.2 million.

Corporate Office

Corporate expenses incurred were higher due mainly to the royalties adjustment of \$9.7 million (see above).

Taxation

Reduction in losses posted by overseas subsidiary and joint venture companies where no tax benefits are recognised, lower disallowable expenses and the non-taxable one-off adjustment on royalties of \$17.3 million reduced the Group's overall effective tax rate to 24.6% (Q3 2005: 37.5%).

REVIEW OF BALANCE SHEET**Company**

The decrease in other creditors was mainly due to lower expenses accrued.

Group

The decrease in other creditors was mainly due to lower accruals for marketing and operating expenses. The increase in amount due from related companies arose mainly from the amount receivable from the one-off adjustment on royalties.

REVIEW OF CASHFLOW

Cash generated from operations for the quarter was used for dividend payments to shareholders and minority interests and for investments, and this resulted in a net decrease in cash and cash equivalents.

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 fundamentals of the Company remain sound. The Directors expect attributable profit before exceptional items for the year to be higher than last year.

11. **If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared for the quarter.

12. INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions for the period 1 October 2005 to 30 June 2006 as required under Rule 907 of the SGX Listing Manual.

| Name of interested person | Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 902) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|-----------------------------|--|---|
| Heineken Group of Companies | 5,603,158 | 17,634,829 |
| Fraser and Neave, Limited | - | 8,462,170 |
| Fraser & Neave Holdings Bhd | - | 17,397,325 |

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary

11 August 2006

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

Michael Fam
Director

Koh Poh Tiong
Director