



ASIA PACIFIC BREWERIES LIMITED

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

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 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

	30/9/2006 \$'000	30/9/2005 (Restated) \$'000	Change %
Revenue	1,526,277	1,436,438	6.3
Cost of sales	(920,013)	(854,261)	7.7
Gross profit	606,264	582,177	4.1
Operating expenses			
- Distribution	(55,359)	(48,165)	14.9
- Marketing	(215,071)	(247,173)	(13.0)
- Administration	(113,231)	(100,169)	13.0
	(383,661)	(395,507)	(3.0)
Trading profit	222,603	186,670	19.2
Share of joint venture and associated companies' profits	27,371	28,711	(4.7)
Gross income from investments	4,714	3,911	20.5
Profit before interest, taxation and exceptional items	254,688	219,292	16.1
Interest income	5,575	6,573	(15.2)
Interest expense	(5,370)	(2,002)	168.2
	205	4,571	(95.5)
Profit before taxation and exceptional items	254,893	223,863	13.9
Exceptional items	(2,336)	809	NM
Profit before taxation	252,557	224,672	12.4
Taxation	(69,816)	(70,467)	(0.9)
Profit after taxation	182,741	154,205	18.5
Attributable profit to:			
Shareholders of the Company			
- Before exceptional items	131,617	114,449	15.0
- Exceptional items	(1,738)	657	NM
	129,879	115,106	12.8
Minority interests	52,862	39,099	35.2
	182,741	154,205	18.5

NM – Not meaningful



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

	30/9/2006	30/9/2005 (Restated)	Change
	\$'000	\$'000	%
Investment income			
(A) Gross income from investments	4,714	3,911	20.5
Net interest income			
(B) Interest income	5,575	6,573	(15.2)
(C) Interest expenses	(5,370)	(2,002)	168.2
	205	4,571	(95.5)
Operating expenses			
Included in operating expenses are:			
(D) Depreciation & amortisation	(44,572)	(43,729)	1.9
(E) Provision for doubtful debts (charged)/written back	(270)	454	NM
(F) Provision for inventory obsolescence charged	(363)	(2,342)	(84.5)
(G) Impairment in value of investments	-	-	-
(H) Foreign exchange loss	(3,857)	(901)	328.1
(I) Loss on sale of fixed assets	(21)	(129)	(83.7)
(J) Employee share-based expense	(6,680)	(1,024)	552.3
Taxation			
(K) (Under)/over provision of prior year taxation	(1,150)	1,334	NM
(L) Exceptional items			
Gain on disposal of long term investments/subsidiary company	1,847	1,458	26.7
Restructuring costs and professional fees	(2,183)	(1,365)	59.9
Gain on disposal of properties	-	716	(100.0)
Donation to APB Foundation	(2,000)	-	NM
	(2,336)	809	NM
(M) Extraordinary items	-	-	-
(N) Profit before interest, taxation and exceptional items as a percentage of revenue	16.7%	15.3%	

NM - Not meaningful

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 30/9/2006 \$'000	As at 30/9/2005 (Restated) \$'000	As at 30/9/2006 \$'000	As at 30/9/2005 (Restated) \$'000
Fixed assets	550,381	525,840	1,792	1,989
Subsidiary companies	-	-	610,592	577,483
Joint venture companies	273,441	263,769	262,952	253,457
Associated company	395	445	-	-
Other investments	11,848	12,441	28	589
Intangibles	249,457	100,958	3,840	4,267
Deferred tax assets	6,212	1,200	590	-
Other debtors	27,718	30,381	1,103	1,290
CURRENT ASSETS				
Inventories	100,840	91,108	-	-
Trade debtors	114,178	94,012	-	-
Other debtors	31,058	27,640	3,427	4,444
Amounts due from subsidiary companies	-	-	199,656	26,122
Amounts due from joint venture companies	22,617	18,440	22,622	18,342
Amounts due from related companies	2,885	863	91	195
Short term investments	5,029	4,295	-	-
Bank fixed deposits	114,832	72,218	3,711	1,930
Cash and bank balances	36,924	30,610	603	1,022
	428,363	339,186	230,110	52,055
Deduct: CURRENT LIABILITIES				
Trade creditors	139,787	116,770	-	-
Other creditors	96,626	99,007	23,701	25,562
Amounts due to joint venture and associated companies	4,332	4,378	72	1,740
Amounts due to related companies	23,355	18,536	9,590	6,832
Borrowings	235,090	38,029	173,200	-
Provision for taxation	39,542	30,118	10,433	8,638
	538,732	306,838	216,996	42,772
NET CURRENT (LIABILITIES)/ASSETS	(110,369)	32,348	13,114	9,283
	1,009,083	967,382	894,011	848,358
Deduct: NON-CURRENT LIABILITIES				
Other creditors	7,296	-	-	-
Borrowings	2,193	1,995	-	-
Deferred tax liabilities	23,381	23,900	-	-
Provision for employee benefits	3,556	2,967	-	-
	36,426	28,862	-	-
	972,657	938,520	894,011	848,358
Financed by:				
Share capital	276,688	256,405	276,688	256,405
Reserves	609,319	608,325	617,323	591,953
	886,007	864,730	894,011	848,358
Minority interests	86,650	73,790	-	-
	972,657	938,520	894,011	848,358



- 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

	<u>As at 30/9/2006</u> \$'000	<u>As at 30/9/2005</u> \$'000
Secured :	7,675	1,324
Unsecured :	227,415	36,705
	<u>235,090</u>	<u>38,029</u>

Amount repayable after one year

	<u>As at 30/9/2006</u> \$'000	<u>As at 30/9/2005</u> \$'000
Secured :	2,193	1,995
Unsecured :	-	-
	<u>2,193</u>	<u>1,995</u>

Details of any collateral

The secured borrowings as at 30 September 2006 are secured on the assets and fixed assets of the 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

	30/9/2006	30/9/2005 (Restated)
	<u>\$'000</u>	<u>\$'000</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation and exceptional items	254,893	223,863
Adjustments for:		
Depreciation of fixed assets	44,145	43,303
Provision for employee benefits	814	889
Amortisation of brand	427	426
Loss on disposal of fixed assets	21	129
Provision for fixed assets write (back)/off	(572)	72
Fair value loss on derivatives	717	-
Share of joint venture and associated companies' profits	(27,371)	(28,711)
Investment income	(4,714)	(3,911)
Net interest income	(205)	(4,571)
Employee share-based expense	6,680	1,024
Operating cash before working capital changes	274,835	232,513
Change in inventories	5,121	(11,650)
Change in trade and other debtors	(21,290)	(8,011)
Change in trade and other creditors	(7,299)	35,889
Change in related companies' balances	(1,426)	(2,317)
Currency realignment	1,074	2,769
Cash generated from operations	251,015	249,193
Net interest received	823	4,278
Employee benefits paid	(313)	(193)
Income taxes paid	(61,040)	(60,274)
Net cash from operating activities	<u>190,485</u>	<u>193,004</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Dividends from joint venture companies	16,469	15,596
Proceeds from disposal of investments	2,393	4,545
Investment income	4,820	3,525
Proceeds from disposal of fixed assets	2,973	1,631
Purchase of fixed assets	(64,285)	(89,912)
Loans to joint venture company	(8,992)	(30,170)
Payment of trade advances	(3,294)	(4,931)
Purchase of subsidiary companies	(179,846)	(5,482)
Purchase of shares in a subsidiary company from minority interest	-	(2,842)
Net cash used in investing activities	<u>(229,762)</u>	<u>(108,040)</u>



GROUP CASH FLOW STATEMENT (cont'd)

	30/9/2006	30/9/2005
	\$'000	(Restated) \$'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from issue of shares by the company	9,052	4,021
Proceeds from issue of shares by a subsidiary company	5,778	-
Proceeds from bank borrowings	198,805	598
Payment of dividends:		
- by parent company to shareholders	(77,050)	(71,645)
- by subsidiaries to minority interests	(40,270)	(28,248)
Repayment of loan from minority interests	(1,897)	-
Net cash from/(used in) financing activities	94,418	(95,274)
Net increase/(decrease) in cash and cash equivalents	55,141	(10,310)
Effects of exchange rate changes on cash and cash equivalents	(5,634)	(442)
Cash and cash equivalents at beginning of year	102,146	112,898
Cash and cash equivalents at end of year	151,653	102,146
Cash and cash equivalents at end of year consist of:		
Bank fixed deposits	114,832	72,218
Cash and bank balances	36,924	30,610
Bank overdrafts	(103)	(682)
	151,653	102,146

During the year, the Group acquired two subsidiaries, Aurangabad Breweries Limited and FBG Vietnam Holdings Pty Ltd. Analysis of acquisitions as follows:

	\$'000
Net assets acquired:	
Fixed assets	37,885
Inventories	14,854
Current assets	2,318
Current liabilities	(10,451)
Deferred liabilities	(1,346)
Loan from minority interests	(12,263)
Provision for employee benefits	(320)
Cash and cash equivalents	4,829
Net assets	35,506
Goodwill arising on acquisition	149,169
Consideration paid	184,675
Less: Cash and cash equivalents of subsidiaries acquired	(4,829)
Cash flow on acquisition of subsidiaries	179,846

- 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
<u>Year ended 30 September 2006</u>										
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	-	-	-	(1,558)	-	-	1,071	(487)	(52)	(539)
- As restated	256,405	9,983	15,799	582,877	(42,430)	41,025	1,071	864,730	73,790	938,520
Effect of adopting FRS 39	-	-	-	(1,895)	-	-	1,851	(44)	(55)	(99)
	256,405	9,983	15,799	580,982	(42,430)	41,025	2,922	864,686	73,735	938,421
Currency translation difference	-	-	-	-	(39,073)	-	-	(39,073)	(5,455)	(44,528)
Disposal of available-for-sale financial assets	-	-	-	-	-	-	(1,851)	(1,851)	-	(1,851)
Net losses recognised directly in equity	-	-	-	-	(39,073)	-	(1,851)	(40,924)	(5,455)	(46,379)
Share capital contribution by minority interests	-	-	-	-	-	-	-	-	5,778	5,778
Issue of shares in the Company upon exercise of Executives' Share Options	9,008	1,292	-	-	-	-	(1,248)	9,052	-	9,052
Transfer to Share Capital *	11,275	(11,275)	-	-	-	-	-	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(40,270)	(40,270)
Employee share-based expense	-	-	-	-	-	-	364	364	-	364
Profit after taxation	-	-	-	129,879	-	-	-	129,879	52,862	182,741
<u>Dividends</u>										
Final dividend paid for the previous year	-	-	-	(58)	-	(41,025)	-	(41,083)	-	(41,083)
Interim dividend paid for the year	-	-	-	(35,967)	-	-	-	(35,967)	-	(35,967)
Final dividend proposed for the year	-	-	-	(41,290)	-	41,290	-	-	-	-
	-	-	-	(77,315)	-	265	-	(77,050)	-	(77,050)
Balance at 30 September 2006	276,688	-	15,799	633,546	(81,503)	41,290	187	886,007	86,550	972,657

* In accordance with The Companies (Amendment) Act 2005, the share premium has been combined into the share capital account on 30 January 2006.



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
<u>Year ended 30 September 2005</u>										
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	-	-	-	(468)	-	-	531	63	(16)	47
- As restated	255,450	6,917	15,799	544,678	(52,416)	35,763	531	806,722	63,080	869,802
Currency translation difference	-	-	-	-	9,986	-	-	9,986	838	10,824
Change in group structure	-	-	-	-	-	-	-	-	(979)	(979)
Issue of shares in the Company upon exercise of Executives' Share Options	955	3,066	-	-	-	-	-	4,021	-	4,021
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(28,248)	(28,248)
Employee share-based expense	-	-	-	-	-	-	540	540	-	540
Profit after taxation	-	-	-	115,106	-	-	-	115,106	39,099	154,205
<u>Dividends</u>										
Final dividend paid for the previous year	-	-	-	(42)	-	(35,763)	-	(35,805)	-	(35,805)
Interim dividend paid for the year	-	-	-	(35,840)	-	-	-	(35,840)	-	(35,840)
Final dividend proposed for the year	-	-	-	(41,025)	-	41,025	-	-	-	-
	-	-	-	(76,907)	-	5,262	-	(71,645)	-	(71,645)
Balance at 30 September 2005	256,405	9,983	15,799	582,877	(42,430)	41,025	1,071	864,730	73,790	938,520



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	
Year ended 30 September 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	-	-	(872)	-	-	1,071	199
- Effect of adopting FRS 21	-	-	(450)	450	-	-	-
- As restated	256,405	9,983	539,874	-	41,025	1,071	848,358
Effect of adopting FRS 39	-	-	(111)	-	-	1,851	1,740
	256,405	9,983	539,763	-	41,025	2,922	850,098
Issue of shares in the Company upon exercise of Executives' Share Options	9,008	1,292	-	-	-	(1,248)	9,052
Transfer to Share Capital *	11,275	(11,275)	-	-	-	-	-
Employee share-based expense	-	-	-	-	-	364	364
Disposal of available-for-sale financial assets	-	-	-	-	-	(1,851)	(1,851)
Profit after taxation	-	-	113,398	-	-	-	113,398
Dividends							
Final dividend paid for the previous year	-	-	(58)	-	(41,025)	-	(41,083)
Interim dividend paid for the year	-	-	(35,967)	-	-	-	(35,967)
Final dividend proposed for the year	-	-	(41,290)	-	41,290	-	-
	-	-	(77,315)	-	265	-	(77,050)
Balance at 30 September 2006	276,688	-	575,846	-	41,290	187	894,011
Year ended 30 September 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	-	-	(262)	-	-	531	269
- Effect of adopting FRS 21	-	-	(450)	450	-	-	-
- As restated	255,450	6,917	527,827	-	35,763	531	826,488
Issue of shares in the Company upon exercise of Executives' Share Options	955	3,066	-	-	-	-	4,021
Employee share-based expense	-	-	-	-	-	540	540
Profit after taxation	-	-	88,954	-	-	-	88,954
Dividends							
Final dividend paid for the previous year	-	-	(42)	-	(35,763)	-	(35,805)
Interim dividend paid for the year	-	-	(35,840)	-	-	-	(35,840)
Final dividend proposed for the year	-	-	(41,025)	-	41,025	-	-
	-	-	(76,907)	-	5,262	-	(71,645)
Balance at 30 September 2005	256,405	9,983	539,874	-	41,025	1,071	848,358

* In accordance with The Companies (Amendment) Act 2005, the share premium has been combined into the share capital account on 30 January 2006.

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.

	<u>Number of Shares</u>	
	4th Quarter to 30/9/2006	3rd Quarter to 30/6/2006
Issued and fully paid ordinary shares:		
As at beginning of period	256,941,859	256,836,214
Issue during the period - Exercise of share options	1,118,920	105,645
	<hr/>	<hr/>
As at end of year/period	258,060,779	256,941,859
	<hr/>	<hr/>
	As at 30/9/2006	As at 30/9/2005
The number of shares that may be issued on exercise of share options outstanding at the end of the year	206,069	1,892,999
	<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 financial year 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 difference as at 1 October 2005 of \$0.45 million has been adjusted against revenue reserve of the Company. In respect of the year under review, the impact on the Company's profits is a charge of \$0.9 million (2005: Nil). This has no impact on the Group's results.

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 \$44,000 in Group shareholders' equity on 1 October 2005 (made up of a reduction in revenue reserve of \$1,895,000 offset by an increase in fair value reserve of \$1,851,000) and a decrease of \$703,000 in Group attributable profit for the year. The impact on the Company is an increase of \$1,740,000 in shareholders' equity on 1 October 2005 (made up of an increase in fair value reserve of \$1,851,000 and a decrease of \$111,000 in revenue reserve) and a decrease in profit of \$36,000 for the year.

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 \$1.6 million up to 30 September 2005. The impact on the Group's attributable profit for the year is a charge of \$7.1 million (2005: \$1.1 million). The impact on the Company is a cumulative charge of \$872,000 up to 30 September 2005 and a charge of \$3.9 million against profit for the year (2005: \$610,000).

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	
	Year ended 30/9/2006	Year ended 30/9/2005 (Restated)
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before exceptional items	51.2	44.7
- after exceptional items	50.5	45.0
(b) On a fully diluted basis (cents)		
- before exceptional items	51.2	44.6
- after exceptional items	50.5	44.9



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 30/9/2006	As at 30/9/2005 (Restated)	As at 30/9/2006	As at 30/9/2005 (Restated)
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year	\$3.43	\$3.37	\$3.46	\$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 OPERATIONS – FULL YEAR 2005/06

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.

The Directors are pleased to announce that the Group had yet another good year, posting a fifth consecutive year of record attributable profit before exceptional items for the financial year ended 30 September 2006. Attributable profit before exceptional items rose by \$17.2 million or 15% to reach \$131.6 million. Excluding the one-off adjustment on royalties of \$16.5 million, translation losses, gestation losses and business development related costs, attributable profit before exceptional items increased organically by \$16.9 million or 15% over last year.

Group profit before interest and tax ("PBIT") increased by \$35.4 million or 16% to \$254.7 million, compared to last year. Excluding the benefit of a one-off adjustment on royalties of \$20.7 million, translation losses, gestation losses and business development related costs, PBIT increased organically by \$29.0 million or 13% over last year.

During the year, the Vietnam operations reached agreement on royalty rates payable for the past years. This has resulted in a one-time cancellation of royalties previously charged to the operations for prior years of \$31.6 million.

A part of this benefit (\$10.9 million) is intra-group and is accordingly eliminated on consolidation. The balance of \$20.7 million has been recorded as a reduction in marketing expenses with a corresponding increase in PBIT.

Commentary on Performance

Singapore

Volume was up 7% mostly from export and contract brew, PBIT grew marginally by 1%.

Malaysia

Volume fell by 2%, attributable to weak consumer sentiments from successive excise duty increases in the past years. PBIT declined by 5% due to the impact of the volume decline and higher marketing investments.

Papua New Guinea

PBIT grew strongly by 28% on the back of 13% volume growth and marginal price increases.



New Zealand

PBIT declined by 10%, attributable to a decline in volume of 2%, aggressive price-based competition and the weaker NZ dollar exchange rate.

Indochina

Volume for the region continued to grow a robust 15%. Included in the Vietnam PBIT was a one-off adjustment on royalties as described above. Excluding this, PBIT for Indochina rose by 6%.

China

The China operations reported its first full year profit, turning around from a loss of \$3.2 million reported last year to a profit of \$0.2 million this year. Volume grew strongly by 30%.

Thailand

Volume grew by 6%. However, PBIT fell by 48% due to higher brand related expenses incurred to build the *Cheers* brand equity.

New Markets

Gestation losses incurred by new and start-up ventures in Sri Lanka, Mongolia and India totalled \$3.5 million.

Corporate Office

Corporate expenses incurred were higher due mainly to the one-off adjustment in royalties in Vietnam of \$10.9 million offset by lower marketing investments.

Taxation

The Group effective tax rate of 27.6% (2005: 31.4%) is higher than the Singapore statutory tax rate of 20% as a result of higher tax payable on the profits of certain subsidiaries located in high-tax countries.

However, the effective rate is 3.8% lower than last year's rate. This is mainly due to the low effective tax rates of two overseas subsidiaries which jointly contribute to more than half of the Group profit.

REVIEW OF BALANCE SHEET

Company

Investment in subsidiaries increased mainly from the acquisition of Aurangabad Breweries Limited. The increase in amount due from subsidiary companies arose mainly from the loan extended to a subsidiary for the acquisition of Foster's Vietnam assets. The increase in bank borrowings is used to finance this acquisition.

Group

Higher bank borrowings were taken mainly for the acquisition mentioned which also resulted in an increase in intangibles.

REVIEW OF GROUP CASHFLOW

Purchase of fixed assets of \$64.3 million relates mainly to the capacity expansion in Vietnam. Purchase of subsidiary companies of \$179.8 million relates to the acquisitions of Foster's Vietnam assets and Aurangabad Breweries Limited.

Bank borrowings of \$198.8 million are mainly from bank loans granted to the Company for the acquisition mentioned above.

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

Since 2001, the Company has embarked on its 2nd phase of regionalisation and remained committed to seek opportunities for regional joint ventures that hold promise of profitable operations. From interests in 23 breweries in 9 countries last year, the Company today has interests in 28 operational breweries in 10 countries. Our regional footprint is expected to extend further to 34 breweries in 12 countries by the second half of 2007, as greenfield breweries come on stream in China, Mongolia, Laos and India. It is recognised that these new start-up breweries will result in a temporary dilution of net earnings leading to a lower attributable profit for the current financial year. Notwithstanding this, we believe that it is imperative that we continue to invest in growing new profit streams for the future.

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

(a) Whether a final ordinary dividend has been recommended: Yes

(b) (i) Amount per share : 16 cents (comprising 6.5 cents net of Singapore tax and 9.5 cents 1-tier tax exempt)

(ii) Previous corresponding period : 16 cents, after deduction of tax.

(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).

6.5 cents net of Singapore tax (tax franked) and 9.5 cents (1-tier tax exempt)

(d) The date the dividend is payable.

The Directors proposed a final dividend of 16 cents (last year: 16 cents net of tax) per share (6.5 cents net of tax and 9.5 cents 1-tier tax exempt) to be paid on 12 February 2007.

(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 5.00 pm on 31 January 2007 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 1 February 2007 and 2 February 2007 for the preparation of dividend warrants.

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

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

SEGMENTAL RESULTS

For year ended 30 September 2006

	Singapore \$'000	Malaysia \$'000	Papua New Guinea \$'000	New Zealand \$'000	Indochina \$'000	Mongolia \$'000	South Asia \$'000	China \$'000	Thailand \$'000	Corporate Office \$'000	Group \$'000
Revenue	454,264	-	162,884	359,673	529,422	1,845	15,322	-	-	2,867	1,526,277
Profit/(loss) before interest, taxation and exceptional items											
Subsidiary companies	37,687	-	38,929	49,613	140,291	(706)	(2,787)	-	-	(35,710)	227,317
Joint venture and associated companies	6,562	16,133	-	-	-	-	-	203	4,473	-	27,371
	44,249	16,133	38,929	49,613	140,291	(706)	(2,787)	203	4,473	(35,710)	254,688
Interest income											5,575
Interest expense											(5,370)
Exceptional items											(2,336)
Taxation											(69,816)
Minority interests, net of taxes											(52,862)
Attributable profit											129,879
Total assets											
Subsidiary companies	185,465	-	41,597	254,214	335,248	8,810	14,552	-	-	30,508	870,394
Joint venture companies and associated companies	5,021	44,093	-	395	-	-	-	180,797	43,530	-	273,836
Goodwill on acquisition	-	-	-	-	-	-	-	-	-	245,617	245,617
Deferred tax assets											6,212
Bank deposits and cash balances											151,756
											1,547,815
Total liabilities											
Subsidiary companies	(59,145)	-	(17,701)	(44,132)	(104,252)	(2,021)	(14,335)	-	-	(33,366)	(274,952)
Provision for tax and deferred tax											(62,923)
Borrowings											(237,283)
											(575,158)
Other segment information:											
Attributable profit/(loss)	32,662	14,352	17,782	27,990	79,822	(390)	(3,942)	(569)	2,655	(40,483)	129,879
Capital expenditure	7,659	-	6,194	7,827	37,537	6,571	855	-	-	312	66,955
Depreciation of fixed assets	10,189	-	2,659	13,989	15,754	5	1,048	-	-	501	44,145
Amortisation of brand	-	-	-	-	-	-	-	-	-	427	427
Business Segment											
				Brewery \$'000	Investment		Corporate Office \$'000			Group \$'000	
Revenue				1,523,410	-		2,867			1,526,277	
Profit/(loss) before interest, taxation and exceptional items				285,684	4,714		(35,710)			254,688	
Total assets				1,220,027	51,251		276,537			1,547,815	
Capital expenditure				66,643	-		312			66,955	



SEGMENTAL RESULTS
For year ended 30 September 2005

	Singapore \$'000	Malaysia \$'000	Papua New Guinea \$'000	New Zealand \$'000	Indochina \$'000	Mongolia \$'000	South Asia \$'000	China \$'000	Thailand \$'000	Corporate Office \$'000	Group \$'000
Revenue	413,899	-	138,805	414,220	466,654	-	-	-	-	2,860	1,436,438
Profit/(loss) before interest, taxation and exceptional items											
Subsidiary companies	37,432	-	30,470	55,313	102,284	-	8	-	-	(34,926)	190,581
Joint venture and associated companies	6,350	16,943	-	-	-	-	-	(3,197)	8,615	-	28,711
	43,782	16,943	30,470	55,313	102,284	-	8	(3,197)	8,615	(34,926)	219,292
Net interest income											4,571
Exceptional items											809
Taxation											(70,467)
Minority interests, net of taxes											(39,099)
Attributable profit											115,106
Total assets											
Subsidiary companies	177,306	-	33,394	279,913	283,522	-	4,036	-	-	31,116	809,287
Joint venture companies and associated companies	4,305	41,625	-	445	-	-	-	177,321	40,518	-	264,214
Goodwill on acquisition	-	-	-	-	-	-	-	-	-	96,691	96,691
Deferred tax assets											1,200
Bank deposits and cash balances											102,828
											1,274,220
Total liabilities											
Subsidiary companies	(51,483)	-	(12,787)	(53,530)	(85,862)	-	(3,852)	-	-	(34,144)	(241,658)
Provision for tax and deferred tax											(54,018)
Bank borrowings											(40,024)
											(335,700)
Other segment information:											
Attributable profit/(loss)	30,128	12,815	14,273	39,056	51,424	-	7	(3,978)	5,142	(33,761)	115,106
Capital expenditure	24,711	-	4,113	16,742	43,704	-	-	-	-	642	89,912
Depreciation of fixed assets	8,931	-	2,014	16,440	15,451	-	-	-	-	467	43,303
Amortisation of brand	-	-	-	-	-	-	-	-	-	426	426

Business Segment

	Brewery \$'000	Investment \$'000	Corporate Office \$'000	Group \$'000
Revenue	1,433,578	-	2,860	1,436,438
Profit/(loss) before interest, taxation and exceptional items	250,307	3,911	(34,926)	219,292
Total assets	1,093,990	53,013	127,217	1,274,220
Capital expenditure	89,270	-	642	89,912

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15. A breakdown of sales as follows:-

	Group		
	30/9/2006 \$'000	30/9/2005 \$'000	% increase/ (decrease)
(a) Sales reported for first half year	809,640	758,965	6.7%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	101,766	88,451	15.1%
(c) Sales reported for second half year	716,637	677,473	5.8%
(d) Operating profit after tax before deducting minority interests reported for second half year	80,975	65,754	23.1%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year:

	30/9/2006 \$'000	30/9/2005 \$'000
Ordinary	<u>77,257</u>	<u>76,923</u>

17. **INTERESTED PERSON TRANSACTIONS**

Particulars of interested person transactions for the period 1 October 2005 to 30 September 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	6,796,965	18,722,104
Fraser and Neave, Limited	Nil	8,631,991
Fraser & Neave Holdings Bhd	Nil	18,109,587



18. Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Tuesday 23 January 2007 at 10.00 am.

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary

10 November 2006