

# Asia Pacific Breweries: A premium brewer in emerging markets

**Roland Pirmez**

CEO, Asia Pacific Breweries Ltd.



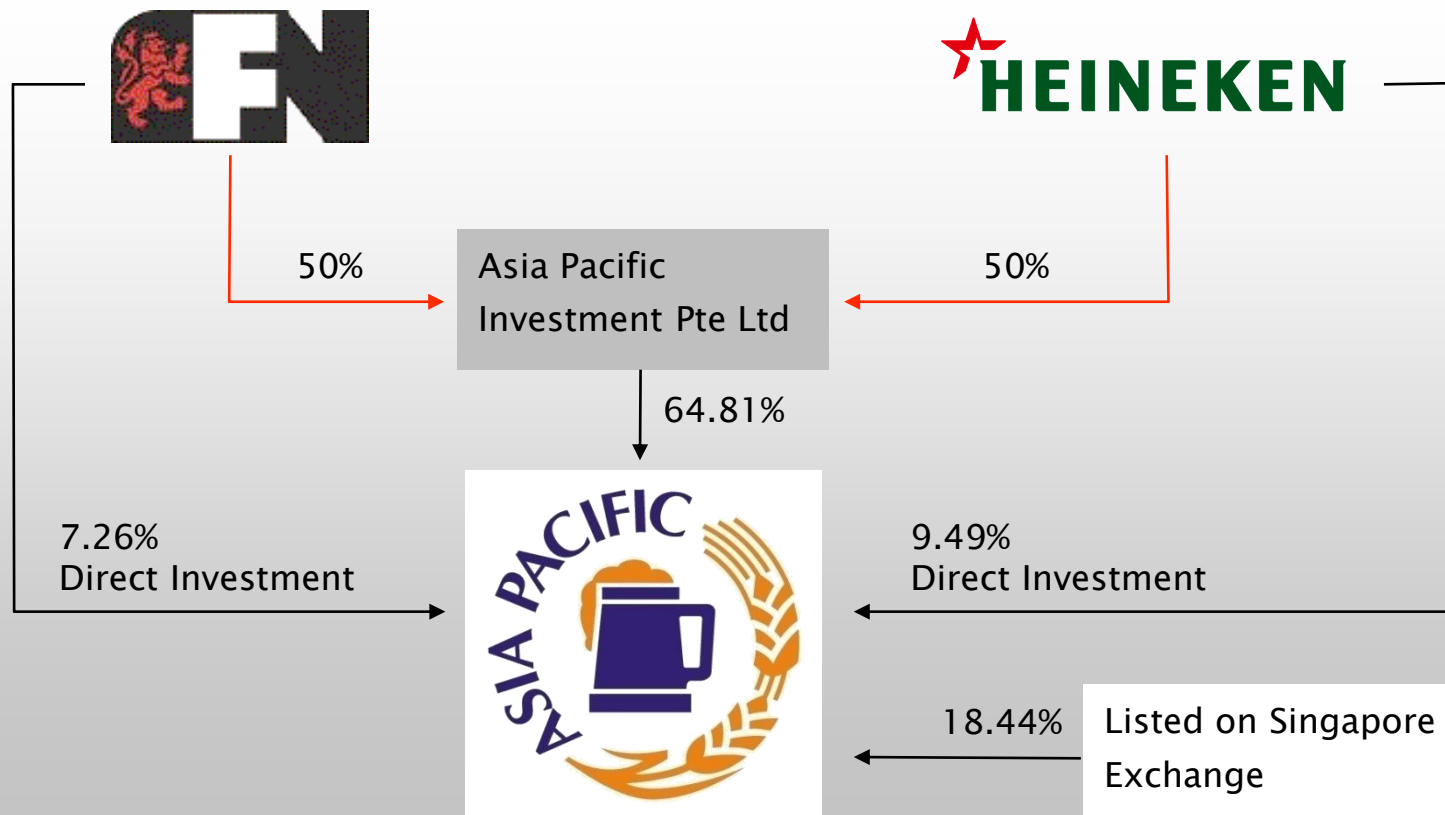
# Agenda

Asia Pacific Breweries: A premium brewer in emerging markets

- 1 Overview of Asia Pacific Breweries Ltd.**
- 2 Strong brand portfolio
- 3 Delivering operational excellence
- 4 Financial performance

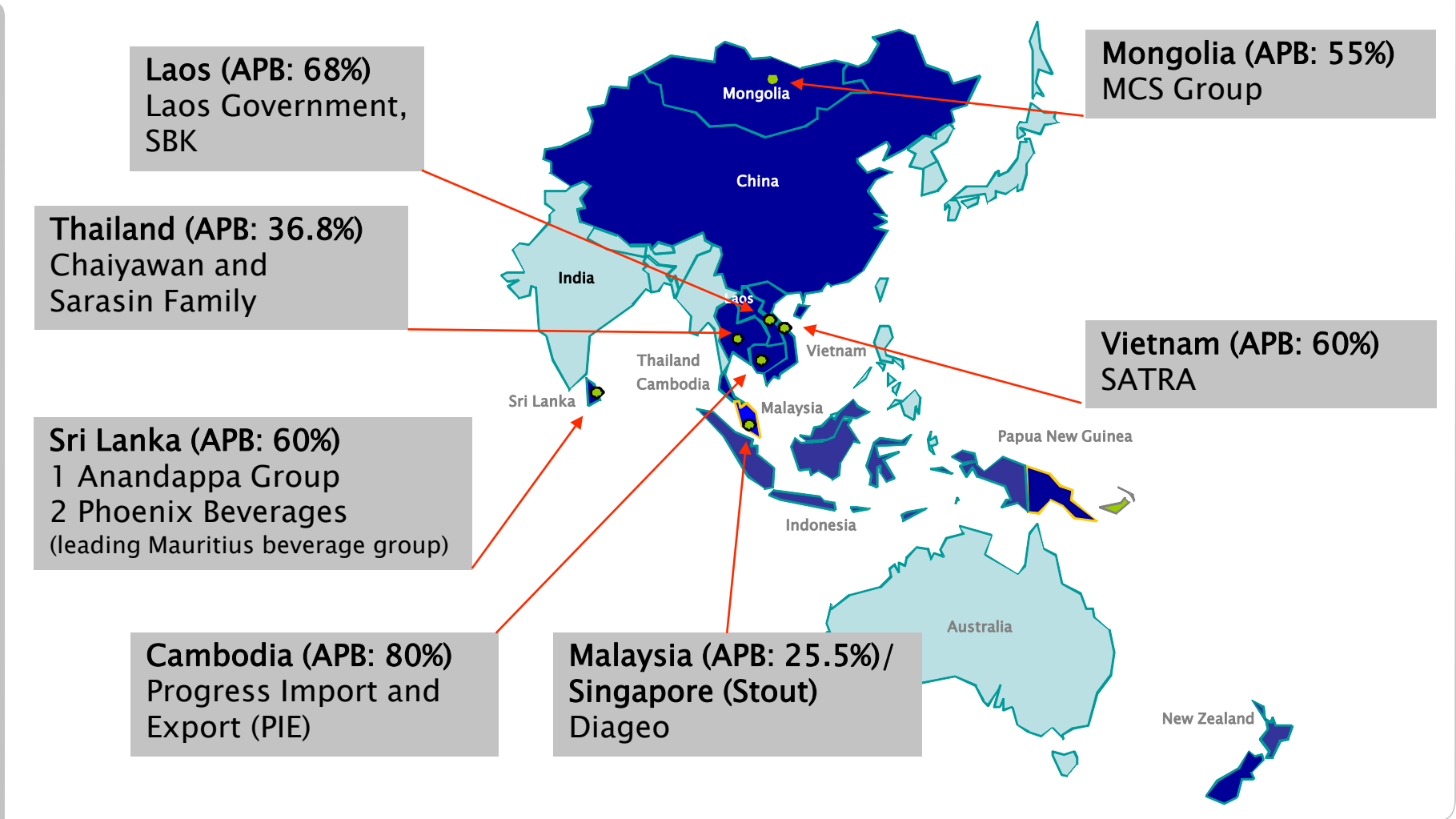
# APB shareholder structure

## APB Shareholder Structure



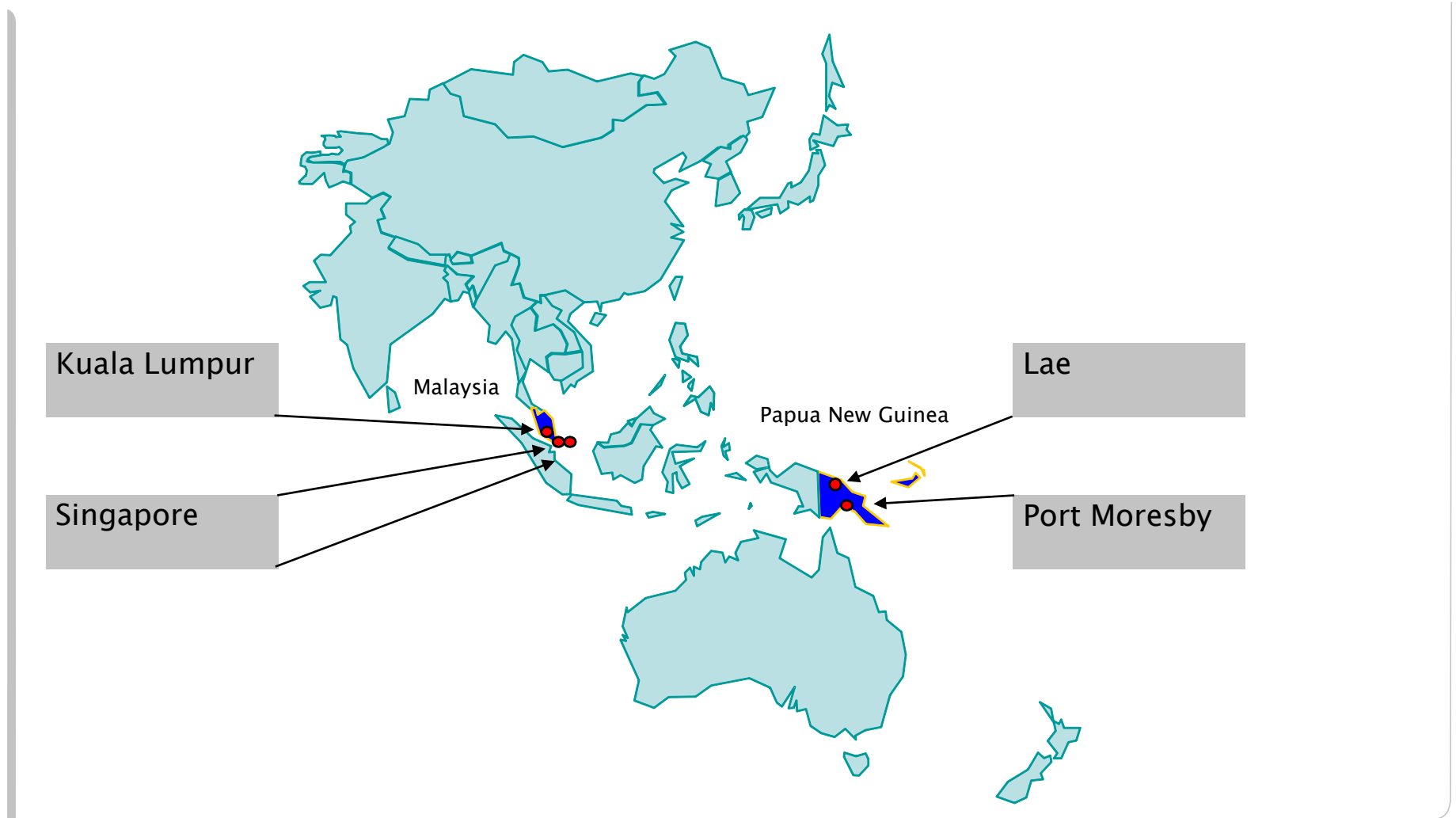
# Joint venture partners

Long history of successful partnerships across several markets



# APB's footprint in 1989

5 breweries in 3 countries...



# APB's footprint today

Widest regional Asia Pacific footprint amongst international brewers

Interests in 24 operating breweries in 14 countries



# Established pan-Asian leadership positions

## Clear #1 position

Singapore



Malaysia



New Caledonia



Indonesia



Papua New Guinea



Solomon Islands



## Strong #2 position

Vietnam



Cambodia



Sri Lanka



New Zealand



Mongolia



## #1 in Premium Category

Thailand



## #2 in Premium Category

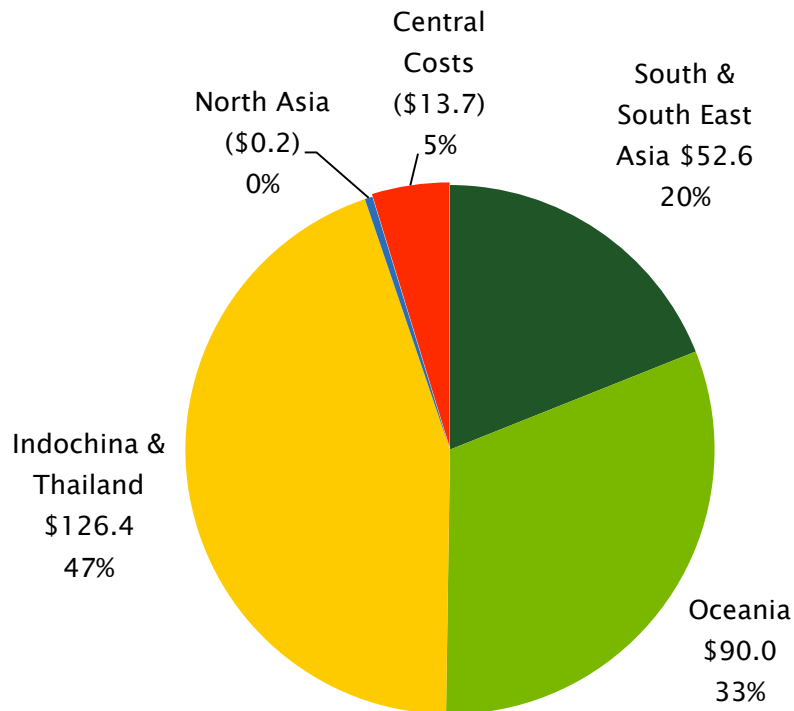
China



# Indochina & Thailand region is the largest contributor to APB's profit

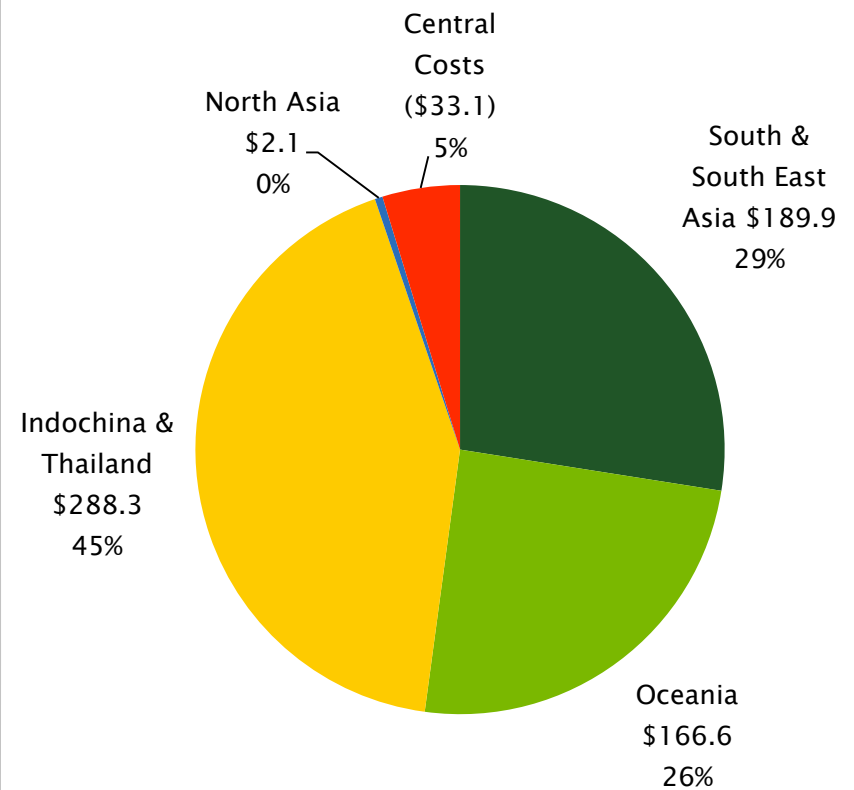
## APB EBIT by region: 2007

2007: S\$255.2m



## APB EBIT by region: 2011

2011: S\$613.9m



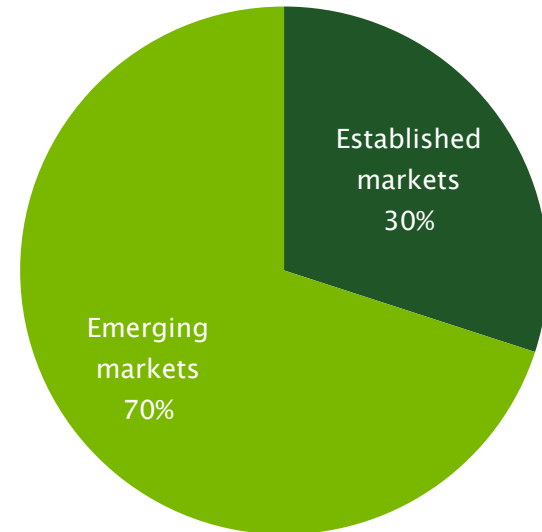
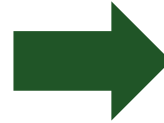
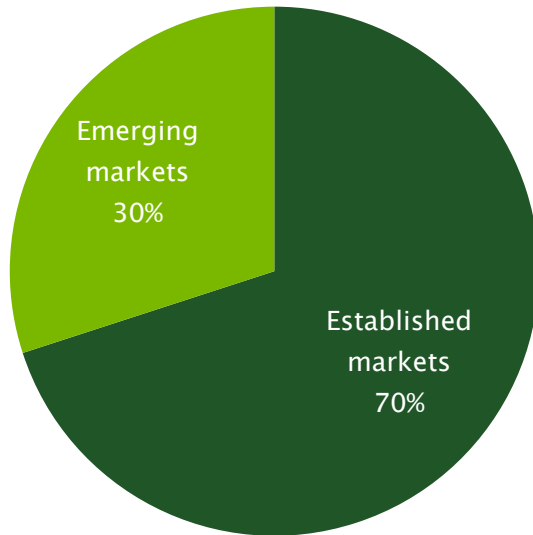
# APB's business has evolved towards higher growth emerging markets

EBIT S\$80m

EBIT S\$614m

1989

2011



# APB's Vision & Strategy

## Our Vision

- ◆ To be a leading brewery group in the Asia Pacific region

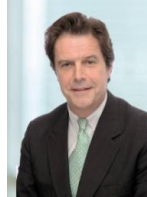
## Our Strategy

- ◆ Acquire, develop and defend Top 1 or 2 position with >25% market share
- ◆ Strong brand portfolio and commercial excellence (pull and push)



# APB senior management team

## Regional Directors



**Mr Roland Pirmez**  
Chief Executive Officer



**Dr Les Buckley**  
Regional Director,  
S.E.A / Oceania



**Mr Chris Kidd**  
Regional Director,  
Indochina



**Mr Vivek Chhabra**  
Director, Group BD &  
Regional Director,  
South Asia



**Mr Malcolm Tan**  
Regional Director,  
China



**Mr Bennett Neo**  
Regional Director,  
Singapore Cluster &  
Cambodia

## Corporate Functions



**Ms Loy Juat Boey**  
Director,  
Group Finance



**Mr Edmond Neo**  
Director,  
Group Commercial



**Ms Geraldine Lim**  
Director,  
Group Legal



**Ms Yu Ping Yu**  
Director,  
Group Human  
Resource



**Ms Sarah Koh**  
General Manager,  
Group Corporate  
Communications



**Mr Hein van Dort**  
Senior Director  
Regional  
Supply Chain

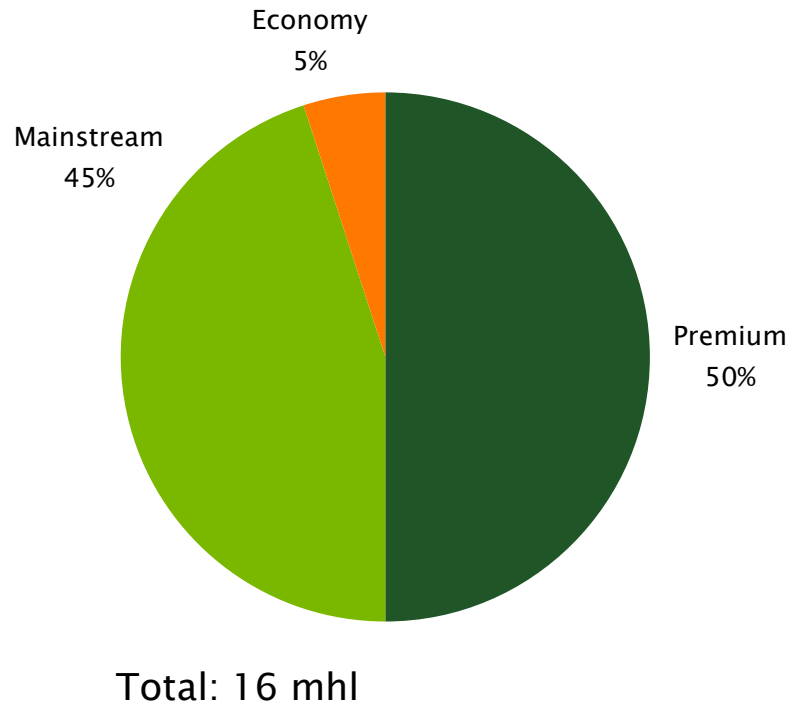
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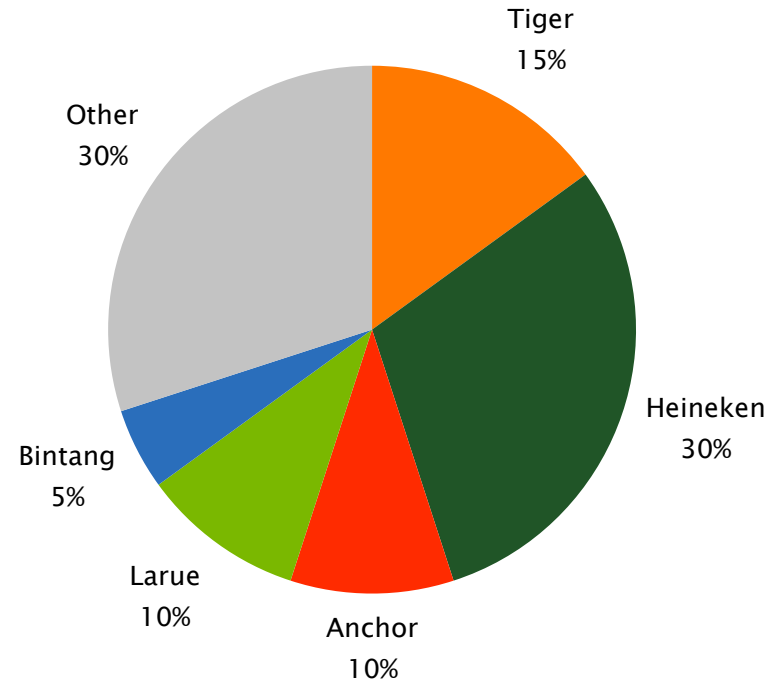
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# APB has a diverse and well balanced product portfolio

APB beer volume by segment: 2010/11


















APB beer volume by brand: 2010/11



# Segmentation to fulfill unique consumer needs in different markets

## Building Winning Portfolios

	Vietnam	Papua New Guinea	Singapore	New Zealand	China
Premium	 	  	      	   	 
Mainstream	 		  	   	
Lower Mainstream	 				

# APB corporate brand: Tiger

Lead markets: Singapore, Malaysia & South Vietnam

## Tiger: Packaging & Variants

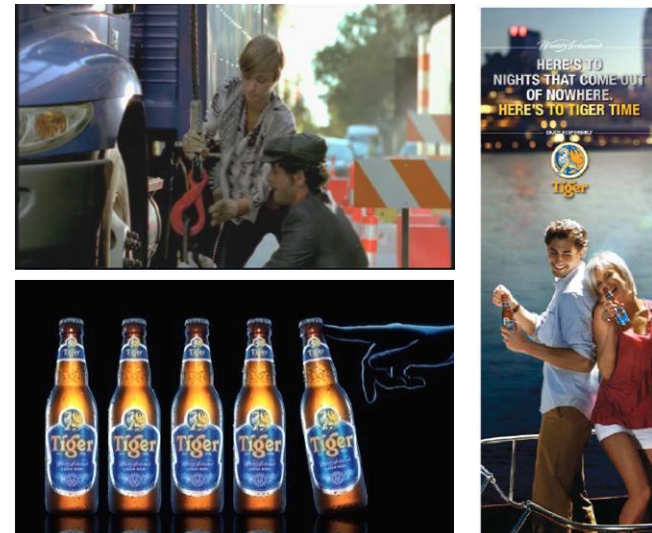


## Tiger Engagement: Football & 'Creativity'



- ◆ **Markets:** Brewed in 10 markets; exported to over 65 countries
- ◆ **Segment:** Mainstream (Singapore/Malaysia) and Premium

## Communication



# APB corporate brand: Anchor

Brand growth led by Hainan (China) and Cambodia, supported by key activations

## Anchor Brand, Packaging, Variants



## Anchor Ground Activation: Music & Sport



- ◆ **Markets:** Brewed in 5 markets and exported to over 6 markets globally
- ◆ **Segment:** Mainstream

## Communication: Celebrity Endorsement



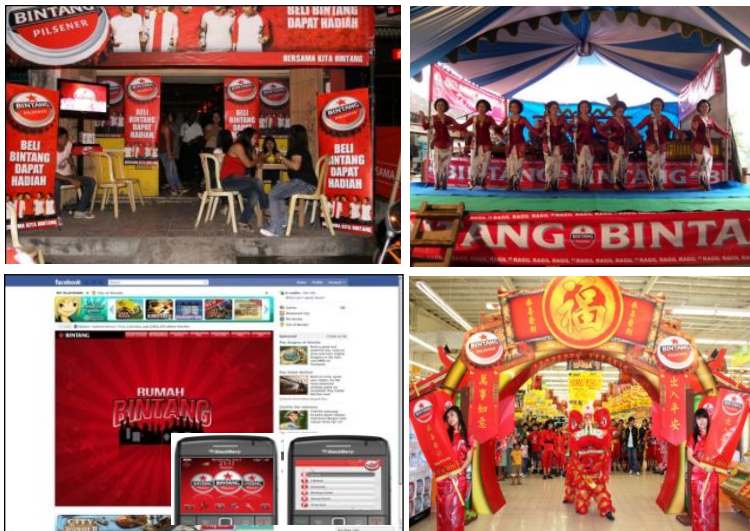
# APB corporate brand: Bintang

Lead market is Indonesia

## Brand & Packaging



## Ground Activation: Music, Local Events



- ◆ **Markets:** Brewed in Indonesia, exported to over 5 markets globally
- ◆ **Segment:** Mainstream

## Communication



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# APB's commercial strategy for winning in the marketplace

## Commercial Strategy

Commercial Excellence

Winning Portfolio Review

Distribution Management

Perfect Execution

	Get loose	Confidence builder	Trial bonding	Savour and unwind	Deserved refreshment	Sharing special times	Routine relaxer
Young Peacocks		Big Night Bonding	Coys Looching Times	Embrace the Good Times			
Go Getters		Heartland Kiwis					
Heartland Bikes	Party Hard	Female Fun Times	Female Fun Times				
Juggling Organisers		Study Strained					
Healthy, wealthy & wise							
Careful Conservatives							Controlled Sociability



# Strong sales execution across both traditional and modern trade channels

## Off-Trade

Cambodia



Vietnam



## On-Trade

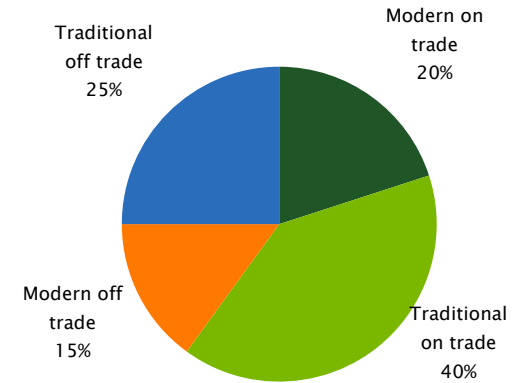
China



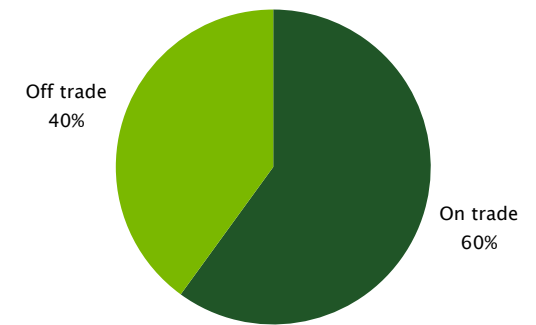
Singapore



## Volume contribution 2010/11

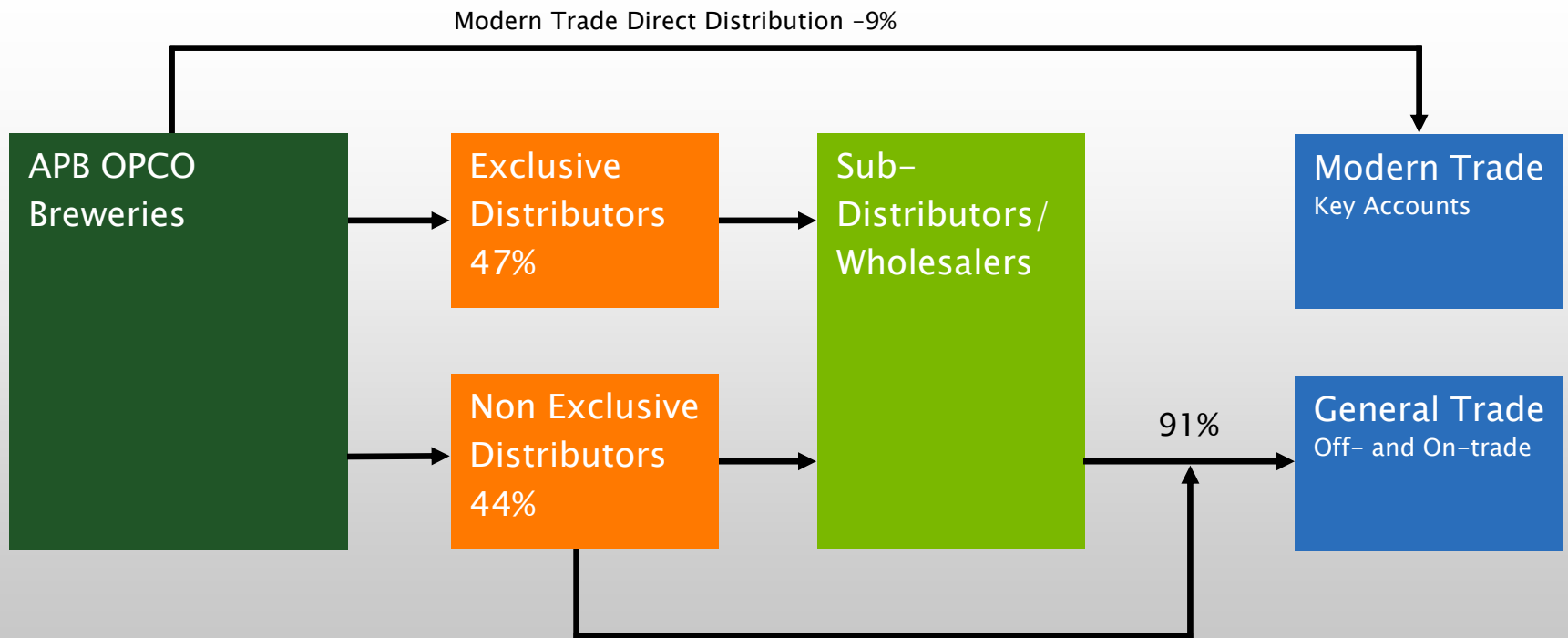


## Profit contribution 2010/11



# A flexible route-to-market tailored to local market conditions

## Route-to-market



# Leveraging strong innovation capabilities

## Heineken



Tactile Can



Draft  
(Extra Cold)



Keg



K2

## Tiger



Glassware



Aluminium  
bottle

Secondary  
packaging



Primary Range

# Leveraging HEINEKEN's supply chain expertise and know-how

## Adherence to HEINEKEN technical standards:

- ◆ Product safety & integrity
- ◆ Process governance, recipe management & product control
- ◆ Sampling and monitoring plan on taste and analytical parameters
- ◆ Product integrity survey on water and beer
- ◆ Brewery and supplier audits



Guangzhou

## Adoption of supply chain HEINEKEN benchmarking/optimisation tools:

- ◆ Total Productive Management (TPM)
- ◆ Brewery Comparison System
- ◆ Production Cost Model
- ◆ Utility Benchmark Model
- ◆ Standardised Sales and Operational (S&OP) planning
- ◆ HEINEKEN Manufacturing Star (HMS)
- ◆ HEINEKEN Logistics Star (HLS)
- ◆ Total Cost Management (TCM)



# Agenda

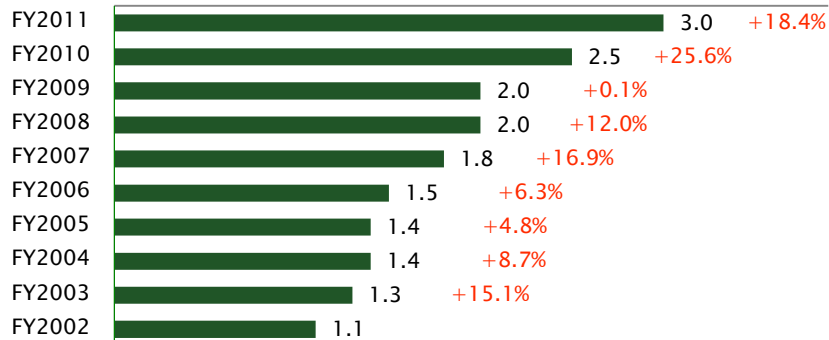
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# APB has delivered consistently strong financial results

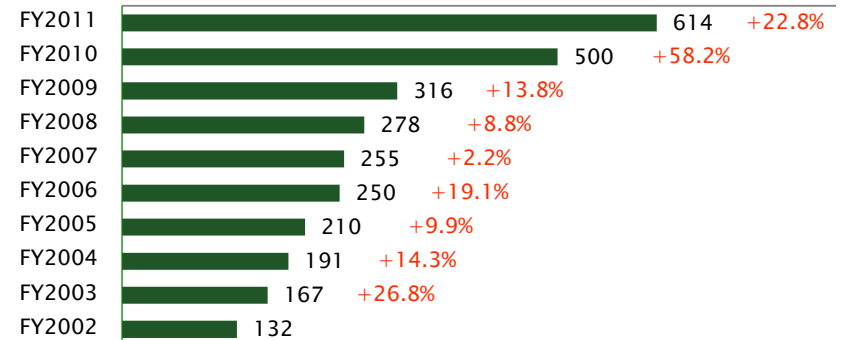
## Revenue 10 year CAGR 11.7%

in S\$B



## EBIT 10 year CAGR 18.7%

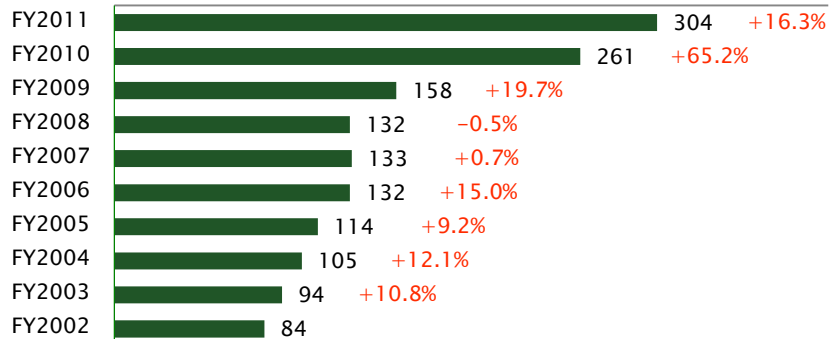
in S\$m



## APBE 10 year CAGR 15.3%

Attributable Net Profit (before exceptionals) (S\$m)

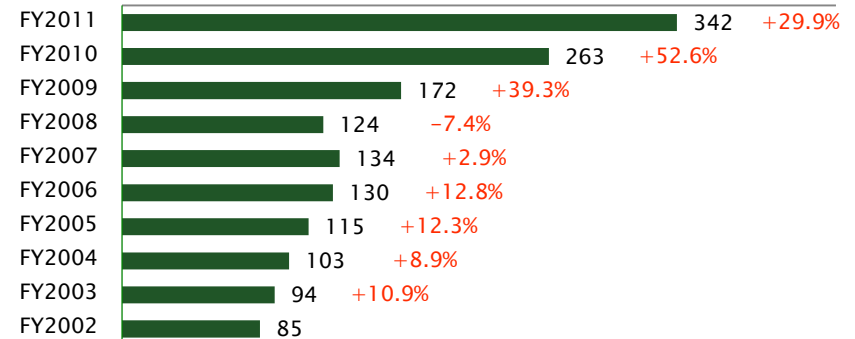
in S\$m



## ANP 10 year CAGR 16.7%

Attributable Net Profit (after exceptionals) (S\$m)

in S\$m



# Asia Pacific Breweries Foundation (APBF)

## Flagship Projects

### Signature Art Prize

- ◆ Contemporary visual art in the Asia Pacific
- ◆ Once every 3 years through to 2023
- ◆ Covers 24 countries
- ◆ In its 2nd edition with a submission of 130 artworks from renowned artists



### Groceries with Heart

- ◆ Delivery of groceries & toiletries to low income families in Singapore
- ◆ More than 300 beneficiaries



# Responsible Drinking (RD)

Awareness, Educate, Engage

drink-savvy.com – information portal, showcases regional RD efforts

drink-SAVVY

cambodia

## White Ribbon

helps female brand promoters prevent forced drinking on the job



singapore

## Get Your Sexy Back

youth-focused moderate consumption campaign



thailand

## Don't Drink Drive, Use Taxi

encouraging the public to use alternative transport if they have drunk



laos

## Drink, Dont Drive: Arrive Home Safely

anti-drink drive campaign partnering Laotian Traffic Police



papua new guinea

## Drink Responsibly, Drink Savvy

employee education initiative



vietnam

## Know When

nationwide TV drama and reality programmes that promote responsible consumption



- ◆ Annual regional consumer engagement programmes to enforce RD
- ◆ Implementing RD message on primary packaging of our beers
- ◆ Strategic multi-stakeholder partnerships – ICAP (Global Actions on Harmful Drinking)
- ◆ Responsible Drinking television commercial – Train

# Summary

- ◆ APB has the broadest and most diverse regional footprint
- ◆ Established leadership positions in key high growth emerging markets
- ◆ Strong product portfolio led by Heineken<sup>®</sup>, Tiger and Anchor brands
- ◆ Winning in the market place through an effective route-to-market and strong commercial capabilities
- ◆ Benefit from HEINEKEN's world class supply chain capabilities and expertise
- ◆ Strong track record of financial success

Here's to Tiger time...



# Questions please



**HEINEKEN**

**FINANCIAL MARKETS**

**CONFERENCE 2011**

**SINGAPORE**