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FRASER AND NEAVE, LIMITED

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

F&N 1Q2019 profit after taxation grew 37% to $55.9 million

- ***Revenue improved marginally to $464.4 million on higher Beverages and Dairies sales***
- ***PBIT[1] increased 42 per cent to $71.0 million***
  - ***Driven by a 43 per cent increase in Dairies profit; broad-based growth across core markets***
  - ***Beverages earnings largely impacted by pre-operating costs incurred at the new brewery in Myanmar and higher packaging and manufacturing costs***
- ***Profit after taxation rose 37 per cent to $55.9 million***

Financial Highlights (S$ 'million)	3 months to 31 December 2018	3 months to 31 December 2017 (Restated)[3]
Revenue	464.4	462.5
PBIT[1]	71.0	50.1
Profit After Taxation	55.9	40.8
Attributable Profit[2]	37.9	25.7
Earnings Per Share (basic)(cents)[2]	2.6	1.8
Net Asset Value Per Share	1.98	$1.95 (30 Sep 2018)

[1] *PBIT denotes profit before interest, taxation and exceptional items*

[2] *Before exceptional items*

[3] *Restated upon adoption of SFRS(I) 15 and finalisation of the purchase price allocation in relation to F&N's investment in Vietnam Dairy Products Joint Stock Company*

SINGAPORE, 11 FEBRUARY 2019 – Fraser and Neave, Limited ("**F&N**" or the "**Group**") today announced financial results for its fiscal 2019 first quarter ended 31 December 2018 ("**1Q2019**"). The Group posted quarterly revenue of $464.4 million, up marginally from $462.5 million in the last corresponding period. Group quarterly profit before interest and taxation ("**PBIT**") increased 42 per cent to $71.0 million. After-tax profit increased 37 per cent to $55.9 million from $40.8 million in the last

corresponding period. The lower after-tax growth was due to higher effective tax rate following the expiration of corporate tax incentive in Thailand.

This quarter, total revenue inched up marginally to $464.4 million, on higher dairy and soft drinks sales in our core markets of Malaysia, Singapore and Thailand. However, the better performance in Food & Beverage ("**F&B**") was partly offset by lower revenue in Publishing & Printing due to lower print and distribution volume for magazines and timing differences in the publication of business directories.

Despite marginal sales growth, Group 1Q2019 PBIT grew 42 per cent, to $71.0 million, on the back of a robust performance by Dairies. Dairies 1Q2019 earnings increased 43 per cent to $72.0 million, up from $50.2 million in the last corresponding period. Dairies strong performance was underpinned by higher profit contribution from the Group's associate company in Vietnam, Vietnam Dairy Products Joint Stock Company ("**Vinamilk**"), as well as stronger performances in core markets of Malaysia, Singapore and Thailand. Largely supported by lower input costs, Dairies Malaysia and Dairies Thailand profit rose 74 per cent and 31 per cent respectively.

1Q2019 Group PBIT was partly weighed down by weaker Beverages performance which was adversely affected by pre-operating costs associated with the ongoing construction of the greenfield brewery in Myanmar, and higher packaging and manufacturing costs. Consequently, Beverages profit fell from $1.6 million in the last corresponding period to a loss of $0.2 million. Excluding the brewery pre-operating costs, Beverages would have recorded a profit of $1.0 million.

Publishing and Printing 1Q2019 PBIT declined from $1.7 million in the last corresponding period to $0.4 million, due largely to the absence of a $1.1 million one-off gain in the sale of machinery recorded in the last corresponding period.

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