#20-00 Alexandra Point
438 Alexandra Road
Singapore 119958

Tel : (65) 6318 9393
Fax : (65) 6271 0811
Website: www.fraserandneave.com

FRASER AND NEAVE, LIMITED

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

F&N to acquire Warburg's vending businesses

- **Signs agreement to acquire 100% of the shares in Warburg's vending businesses held through three Warburg entities**
- **Strategic fit with F&N's food and beverage business**
- **Consolidation of F&N's and Warburg's vending businesses offers consumers added convenience and wider range of products**

SINGAPORE, 15 June 2016 – Fraser and Neave, Limited ("**F&N**" and together with its subsidiaries, the "**Group**") today announced that its wholly-owned subsidiary, F&N Foods Pte Ltd, has entered into a conditional share purchase agreement to acquire Warburg Vending Pte Ltd, Warburg Engineering Pte. Ltd. and Warburg Vending Services Pte. Ltd. (collectively, "**Warburg**") for approximately S$29 million in cash. Warburg is a leading player in the Singapore vending market with over 18 years of operational experience.

The consolidation of Warburg's and F&N's vending operations and customer bases is a strategic fit with F&N's food and beverage business. This acquisition is expected to expand the Group's vending network and increase its brand visibility in both public and private segments, across educational, industrial and commercial sectors in Singapore. Together, the Group's total number of active vending machines is set to increase almost threefold, thereby boosting its vending market position in Singapore. Post-acquisition, Warburg will become wholly-owned subsidiaries of F&N and will continue to operate independently with its key management team and employees remaining in place. It will also continue to support all its customers.

"Warburg has been a partner of F&N since 2011. We are delighted to have the opportunity to extend our partnership and look forward to welcoming Warburg to the F&N Group," said Mr Lee Meng Tat, Chief Executive Officer, Non-Alcoholic Beverages. "This extended partnership brings together Warburg's expertise in vending operations and industry know-how, as well as F&N's own vending operations and product offering. Together, we will leverage on our complementary capabilities and skill sets to strengthen our position in the vending market and scale-up our infrastructure in Singapore. The Group will be able to offer consumers added convenience and a wider choice of products, ranging from pasteurised products, to bottled and canned soft drinks, hot beverages as well as snacks, at more locations islandwide," he added.

Ms Jasmine Tan, Director of Warburg Vending Pte Ltd, said, "Warburg welcomes this move by F&N, a leading food and beverage player in the region. We look forward to combining our capabilities and optimising our operations to better serve our customers."

The acquisition is earnings accretive and will be funded fully from internal sources.

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For clarification and further enquiries, please contact:

Mr Hui Choon Kit
Chief Financial Officer
DID: 6318 9272
Email: huick@fngroup.com.sg

Ms Jennifer Yu
Head, Investor Relations
DID: 6318 9231
Email: jenniferyu@fngroup.com.sg