FY2014

F&N FULL YEAR FINANCIAL HIGHLIGHTS

FRASER AND NEAVE, LIMITED

13 November 2014



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FY2014 Performance Highlights
29% EBIT growth

Strong performance for the year ended 30 September 2014 ("FY2014")

- Strong profit growth in challenging environment
- All divisions recorded strong volume growth
- Adverse foreign exchange effect impacted profits

GROUP FINANCIAL HIGHLIGHTS

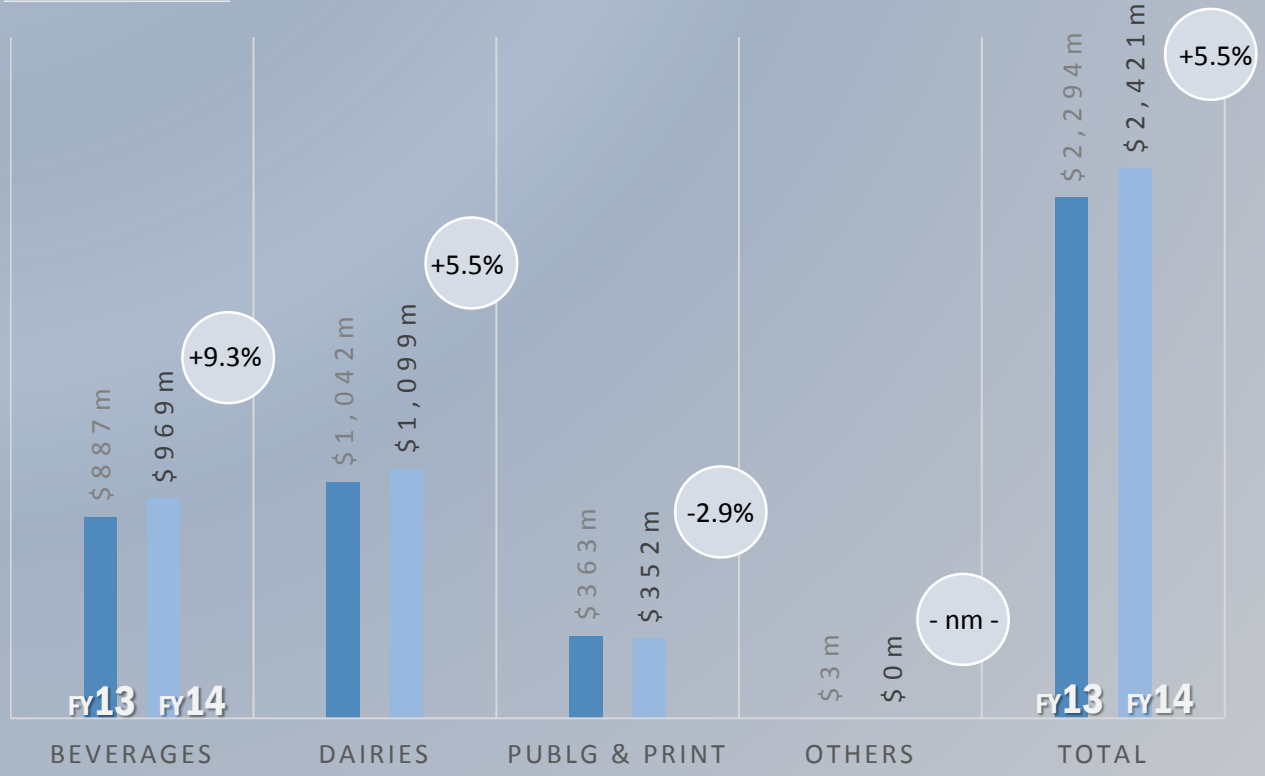
Revenue (millions)	Earnings before interest and tax ("EBIT") (millions)
$2,421.1 ▲ 5.5%	$276.5 ▲ 29.3%
EBIT margin (%)	**Gearing (millions)**
11.4% ▲ 210bps	$219 (net cash) ▲ -nm-
Earnings per share (basic)[1,2] (cents)	**Dividend per share [3] (cents)**
10.0 -%	5.0 (capital reduction of $0.42 in Apr 2014) ▼ 67.7%

[1] Excludes Discontinued Operations
[2] Before fair value adjustment and exceptional items
[3] Interim dividend of 2.0 cents was paid on 12 June 2014; final dividend of 3.0 cents remains subject to shareholders' approval

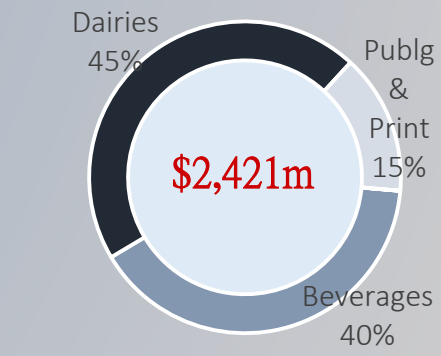
REVENUE GREW 5.5%

Supported by strong volume growth in Beverages

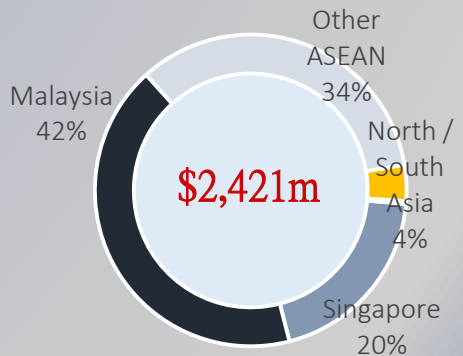
Revenue by Business Segment ($)



FY14 Revenue by Business Segment (%)



FY14 Revenue by Geography (%)



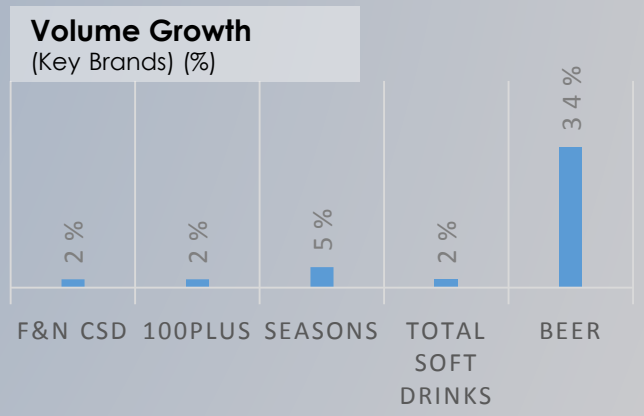
[1] FY13 figures have been restated upon the demerger of FCL
[2] Beverages comprises Soft Drinks and Beer
[3] Publg & Print denotes Publishing & Printing

Revenue | Beverages

Revenue growth supported by higher volumes, moderated by weaker Kyat and Ringgit

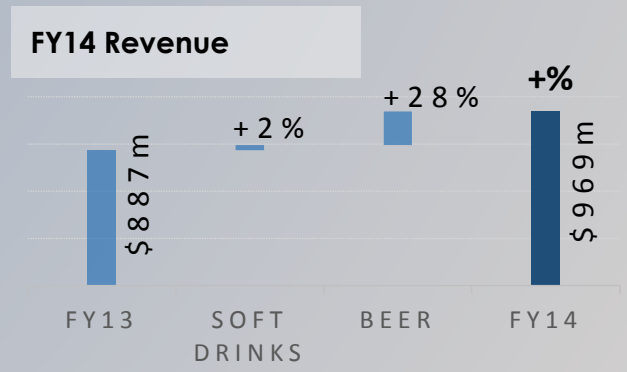
Beverages: Beer

- Volume grew 34% driven by effective marketing and sports sponsorship, and enhanced route-to-market excellence
- *MYANMAR BEER* enjoyed double-digit growth in sales
- Beer revenue improved 28%, adversely affected by weaker Kyat (36+% in constant currency)
- Capacity upgrade in progress



Beverages: Soft Drinks

- Volume improved 2% despite weaker consumer sentiment in Malaysia due to withdrawal of government subsidies
- Power brands *100PLUS* and *F&N SEASONS* continued to record volume growth; reinforced leadership positions
- Soft Drinks posted 2% revenue growth, due to weaker Ringgit (+4% in constant currency)



Revenue | Dairies

Revenue grew 8%[1]; Malaysia and Thailand each recorded double-digit volume growth[2]

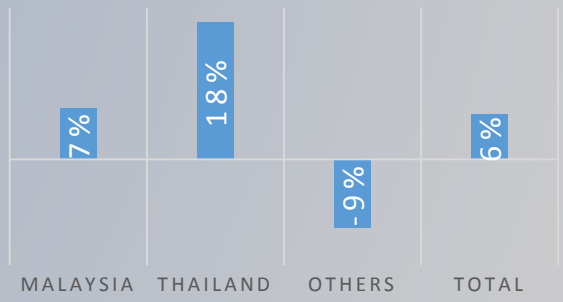
Dairies: Malaysia

- Volume increased 7%; domestic volume recorded 10% growth, ahead of category
- Robust domestic volume growth was supported by effective trade programs and strong sales execution, despite weaker consumer sentiment
- Revenue growth driven mainly by higher *TEAPOT* and *GOLD COIN* canned milk volumes
- Revenue adversely affected by weaker Ringgit

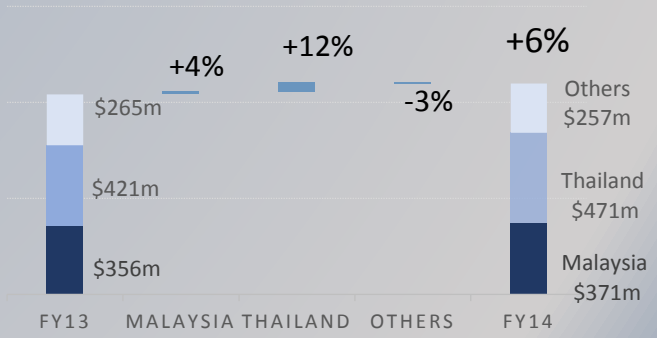
Dairies: Thailand

- Volume jumped 18%; domestic volume grew 16%
  - Indochina and Export recorded strong volume growth
- Revenue growth arising from effective trade activations and brand building activities, increased outlet penetration
- F&N brands performed well, with higher sales from *TEAPOT* canned milk and *F&N MAGNOLIA* pastuerised milk
- Revenue adversely affected by weaker Baht

Volume Growth
(%)



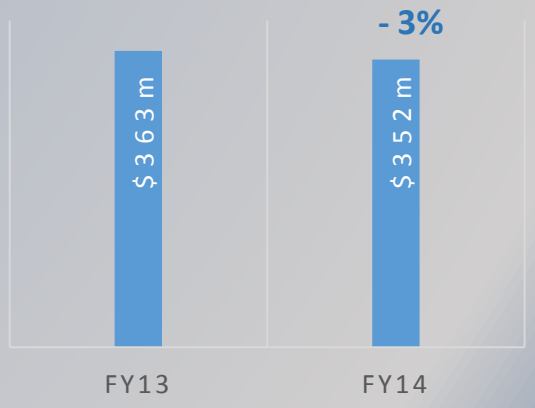
FY14 Revenue



[1] In constant currency
[2] Excludes Export

Revenue | Publishing & Printing

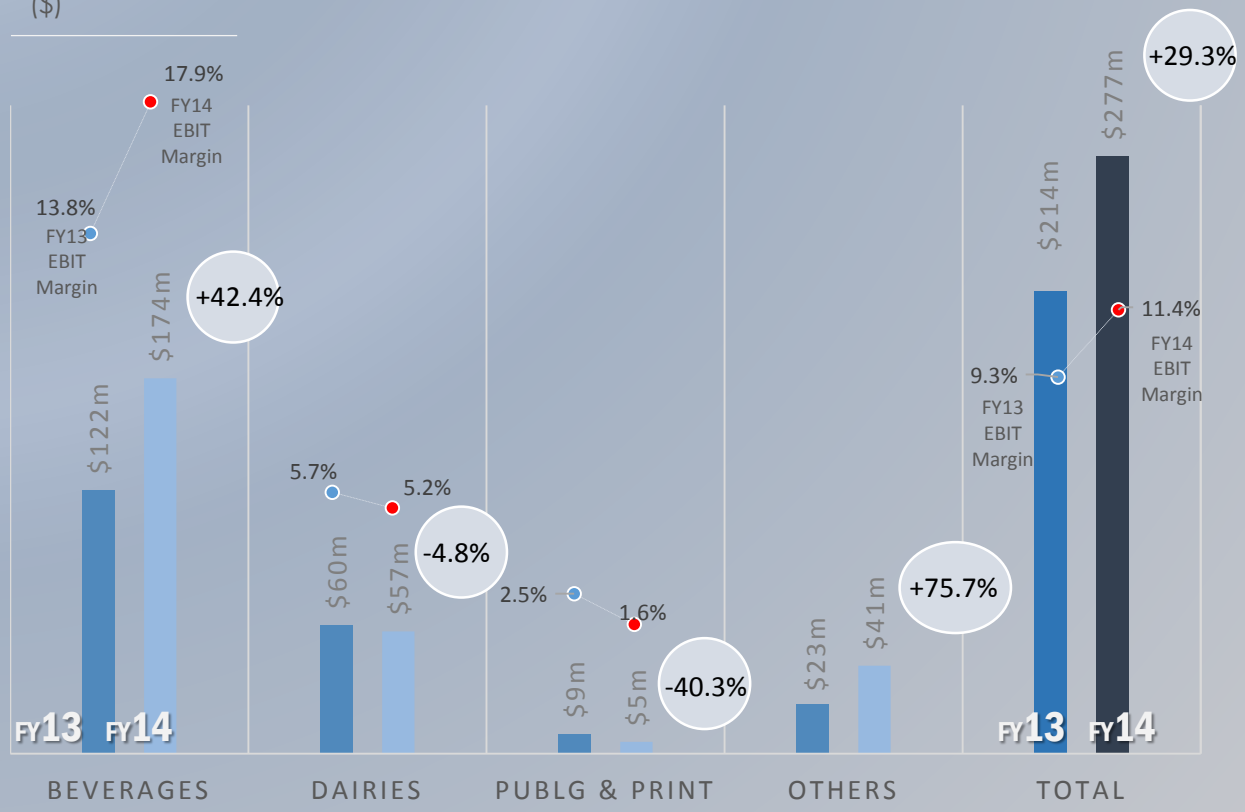
- Education Publishing continued to diversify and grow its customer base
  - Strong overseas sales partly offset by lower local textbook and home reference sales
  - Exclusive partnership with Oxford University Press; textbook adoption in Chile; Math in Focus approved in California and adopted in Seattle
- Printing volumes remained stable; lower print prices affected revenue
  - Lower demand from the US, Europe and Australia, partly compensated by successful acquisition of local and regional print work, and higher digital printing sales



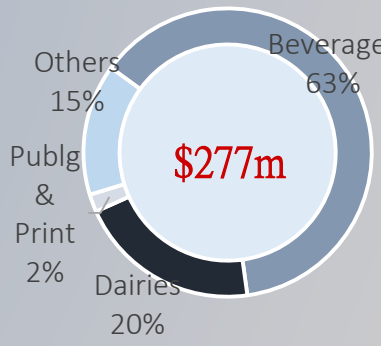
EBIT GREW 29.3%

Profit growth support by improved margins from Beverages and Dairies Malaysia

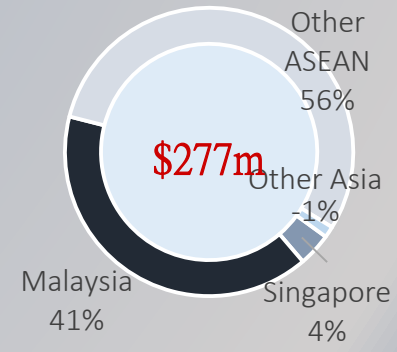
EBIT by Business Segment ($)



FY14 EBIT by Business Segment (%)



FY14 EBIT by Geography (%)



[1] FY2013 figures have been restated upon the adoption of Revised FRS19 and demerger of FCL
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EBIT | Beverages

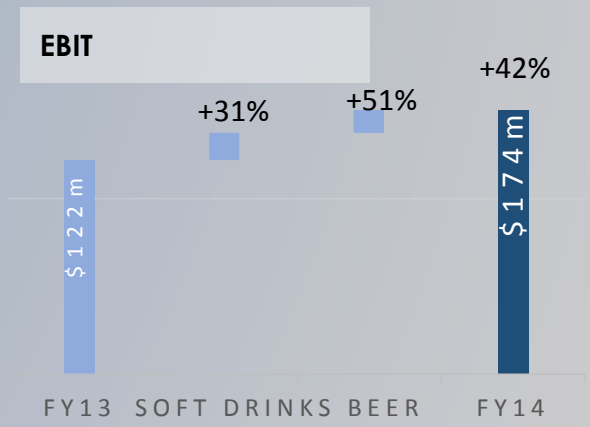
Earnings jumped 42% on higher sales and improved margins, despite weaker Kyat and Ringgit

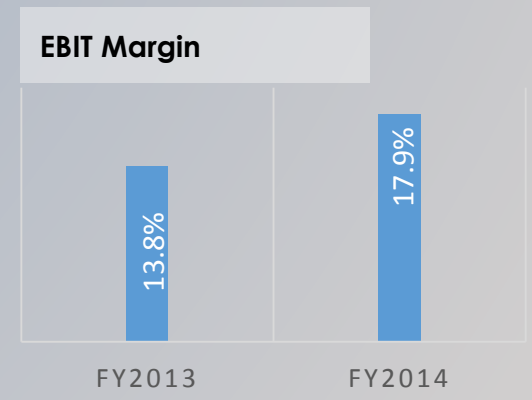
Beverages: Beer

- Earnings driven by higher sales, favourable mix and absence of one-off impairment in FY13
- Beer EBIT improved 51% despite higher marketing spend and distribution cost as well as weaker Kyat
- In constant currency, Beer EBIT surged 61%

Beverages: Soft Drinks

- Favourable sales mix, improved yield and production efficiency supported profit growth of 31%
- Margins improved to 10.4% despite weaker Ringgit
- Singapore returned to profit with improved sales and operational efficiencies
- Malaysia's EBIT grew 23%, supported by favourable sales mix and improved production efficiencies despite weaker Ringgit (in constant currency 26%)





EBIT | Dairies

Earnings impacted by higher input costs and adverse foreign exchange effect; pricing control stemmed Thailand's growth

Dairies: Malaysia

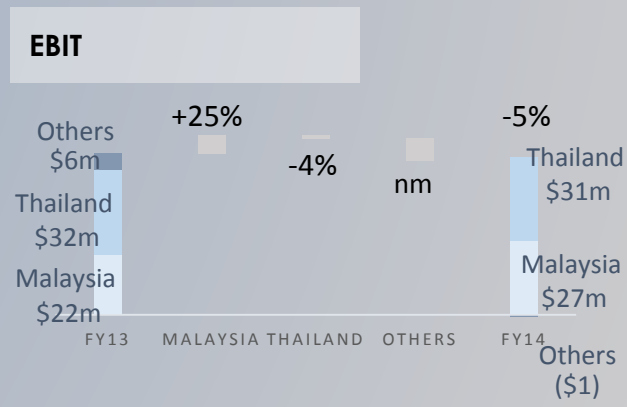
- EBIT growth of 25%
- Driven by higher sales, improved production yields and non-recurring expenses in FY2013 (exclude non-recurring expenses, EBIT improved 8%)
- EBIT margin improved to 7.3%, from 6.1%

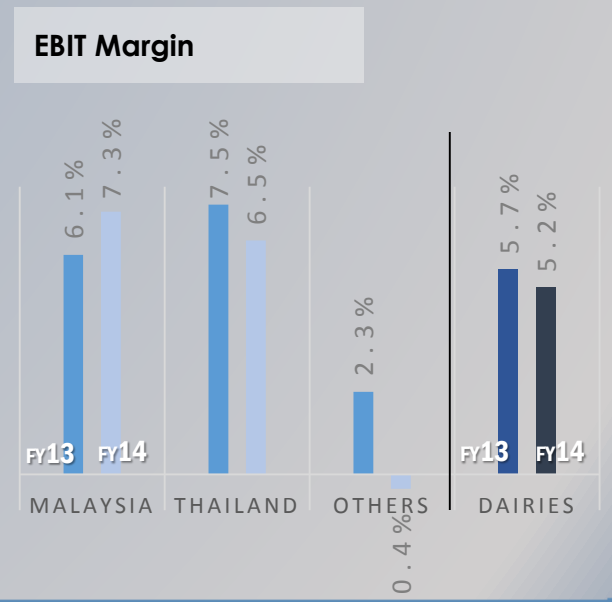
Dairies: Thailand

- Despite double-digit growth in volume and revenue, EBIT dropped 4%
- Impacted by higher input costs, pricing control by the Thai government and weaker Baht
- EBIT margin dropped from 7.5% to 6.5%

Dairies: Others

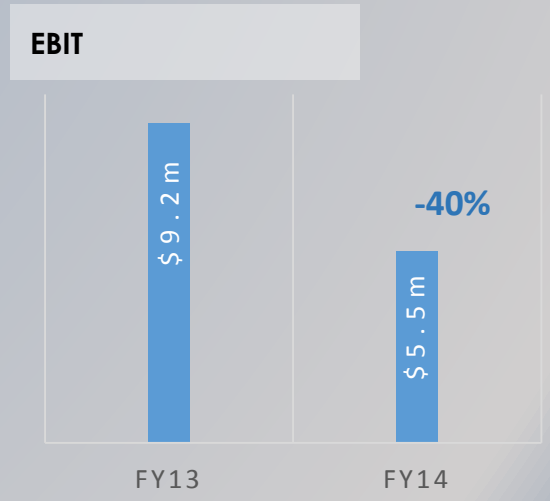
- Losses due to asset write-off and inventory provision





EBIT | Publishing & Printing

- Significant improvement in earnings on higher earnings from Publishing and Printing
  - Profitability improved on effective cost control
  - Benefited from better workflow and savings in operating cost due to consolidation of printing operations in Singapore
- Negated by lower contributions from associated companies, lower sales from local Education Publishing and non-magazine distribution and higher amortization cost from Publishing



Maintained a strong financial position

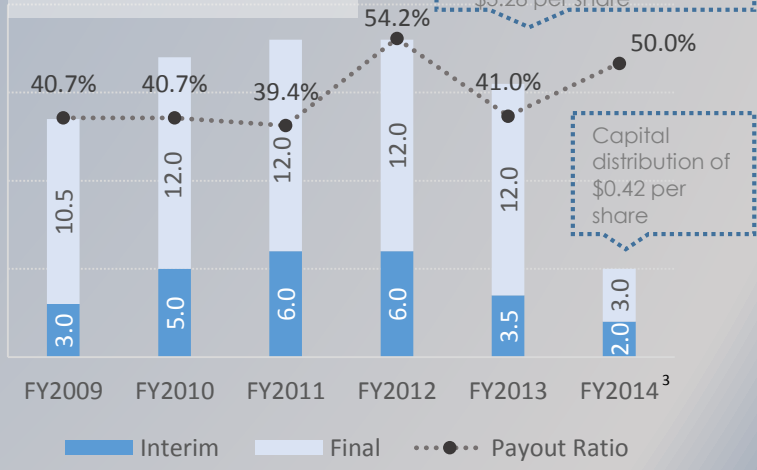
Focused on prudent balance sheet management

- Balance sheet reflects completion of distribution *in specie* of Frasers Centrepoint Limited shares
- Capital distribution of $0.42 per share ($607 million) completed in April 2014
  - Including $3.28 per share capital distribution in July 2013, the Group had distributed almost $11.5 billion to shareholders in last 12 months
  - Net cash position
- Proposed final dividend of 3.0 cents per share[3]; payout ratio of 50%
  - Reflects Group's earnings following demerger
  - Takes into account Group's capital position and near-term capital needs
  - Dividend policy unchanged

Key Financial Ratios

	FY2014	FY2013[1]
Total Equity[2]	$2,001m	$8,878m
Total Assets	$2,700m	$14,145m
Net cash/(Debt)	$219m	($1,500m)

Dividends



[1] Restated upon the adoption of Revised FRS 19
[2] Includes non-controlling interest
[3] Interim dividend of 2 cents was paid on 12 June 2014

SUMMARY



SUMMARY

- Maintained leading positions in key markets
- Focus on
  - Strengthening our portfolio: Marketing and product innovation, and M&A
  - Allocating resources: To ensure capacities and capabilities
  - Building on/identifying strategic partnerships and extracting synergistic opportunities
  - Prudent financial management
- Reviewing our positions in Myanmar

FRASER AND NEAVE, LIMITED

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Fraser and Neave, Limited



F&N Group Unaudited Pro-Forma Profit Statement For the year ended 30 Sep 2013

$'000	FY2013 (Restated)[1]	FY2012 (Restated)[1]
Revenue	2,294,119	2,161,302
Cost of sales	(1,520,310)	(1,467,456)
Gross profit	773,809	693,846
Other (expenses)/income (net)	(3,886)	2,116
Operating expenses		
- Distribution	(187,591)	(178,142)
- Marketing	(233,906)	(228,713)
- Administration	(162,955)	(155,533)
	(584,452)	(562,388)
Trading profit	185,471	133,574
Share of associated companies' profits	9,747	1,927
Gross income from investments	18,653	13,108
Profit before interest and taxation ("PBIT")	**213,871**	**148,609**

Notes:

1. Restated for the adoption of Revised FRS 19 and the demerger of Frasers Centrepoint Limited ("FCL"). The results of FCL has been presented separately as Discontinued Operations.

F&N Group Unaudited Pro-Forma Profit Statement For the year ended 30 Sep 2013 (cont'd)

$'000	FY2013 (Restated)[1]	FY2012 (Restated)[1]
Net finance income/(expense)	39,027	(21,594)
Profit before fair value adjustment, taxation and exceptional items	**252,898**	**127,015**
Fair value adjustment of investment properties	5,509	4,662
Profit before taxation and exceptional items	**258,407**	**131,677**
Exceptional items	(183,429)	6,684
Profit before taxation	**74,978**	**138,361**
Taxation	(48,564)	(6,444)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION	26,414	131,917
DISCONTINUED OPERATIONS		
Profit from discontinued operations, net of tax	735,738	880,456
Gain on disposal of discontinued operations	4,751,514	-
Profit after taxation	**5,513,666**	**1,012,373**

Notes:

1. Restated for the adoption of Revised FRS 19 and the demerger of Frasers Centrepoint Limited ("FCL"). The results of FCL has been presented separately as Discontinued Operations.

F&N Group Unaudited Pro-Forma Profit Statement For the year ended 30 Sep 2013 (cont'd)

$'000	FY2013 (Restated)[1]	FY2012 (Restated)[1]
ATTRIBUTATBLE PROFIT TO:		
Shareholders of the Company		
- Before fair value adjustment and exceptional items		
Continuing operations	143,508	67,699
Discontinued operations	401,080	404,636
	544,588	472,335
- Gain on disposal of discontinued operations	4,751,514	-
- Fair value adjustment of investment properties		
Continuing operations	3,862	4,511
Discontinued operations	275,682	337,650
	279,544	342,161
- Exceptional items		
Continuing operations	(190,933)	(2,422)
Discontinued operations	45,541	25,441
	(145,392)	23,019
	5,430,254	837,515
Non-controlling interests		
Continuing operations	69,977	62,129
Discontinued operations	13,435	112,729
	83,412	174,858
	5,513,666	1,012,373

Notes:

1. Restated for the adoption of Revised FRS 19 and the demerger of Frasers Centrepoint Limited ("FCL"). The results of FCL has been presented separately as Discontinued Operations.

F&N Group Unaudited Pro-Forma Balance Sheet As at 30 Sep 2013

$'000	FY2013 (Restated)[1]	FY2012 (Restated)[2]
SHARE CAPITAL AND RESERVES		
Share capital	834,659	768,664
Treasury shares	(23)	(23)
Reserves	1,000,490	830,305
	1,835,126	1,598,946
Non-controlling interests	346,023	347,545
	2,181,149	1,946,491
Represented by:		
NON-CURRENT ASSETS		
Fixed assets	667,510	714,110
Associated companies	145,219	258,175
Other investments	673,072	372,813
Other non-current assets	187,416	189,189
	1,673,217	1,534,287

Notes:
1. Restated for adoption of Revised FRS 19, demerger of FCL and capital reduction of $0.42 per share (in April 2014).
2. Restated for disposal of Asia Pacific Breweries, capital reduction of $3.28 per share (in July 2013), demerger of FCL and capital reduction of $0.42 per share (in April 2014).

F&N Group Unaudited Pro-Forma Balance Sheet As at 30 Sep 2013 (cont'd)

$'000	FY2013 (Restated)[1]	FY2012 (Restated)[2]
CURRENT ASSETS		
Inventories	245,828	261,761
Trade receivables	305,445	309,217
Bank fixed deposits and cash and bank balances	697,818	592,416
Other current assets	113,303	134,010
	1,362,394	1,297,404
Deduct: CURRENT LIABILITIES		
Trade and other payables	431,328	436,192
Borrowings	105,904	190,735
Other current liabilities	51,916	53,101
	589,148	680,028
NET CURRENT ASSETS	773,246	617,376
Deduct: NON-CURRENT LIABILITIES		
Other non-current liabilities	265,314	205,172
	2,181,149	1,946,491

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