



FRASER AND NEAVE, LIMITED

## 2014 Europe Non-Deal Roadshow

02-06 June 2014

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# Presenters Today

Datò NG Jui Sia      Chief Executive Officer, Non-Alcoholic Beverages

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HUI Choon Kit      Chief Financial Officer

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Jennifer YU      Head, Investor Relations

# F&N at a Glance

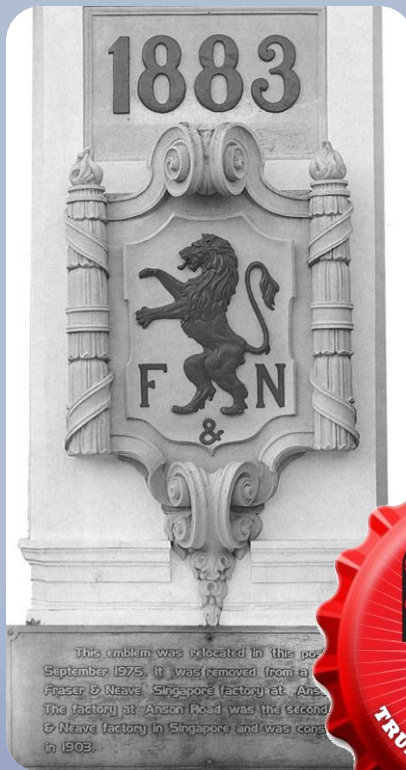




# F&N Defined by a 130+ Year Legacy

Heritage Soft Drinks Brand Founded in 1883...

...Having Developed a Powerful Portfolio of Some of Asia's Most Successful Food and Beverage Brands



# Southeast Asia's Pre-eminent F&B Leader

## Leading Soft Drinks Company

- **#1** soft drinks brand in Malaysia
- **#2** soft drinks player in Singapore
- **#1** isotonic drinks in Singapore and Malaysia

## Leading Dairy Company

- **#1** Canned milk in Malaysia
- **#1** Pasteurised juice and liquid milk in Singapore
- **#1** Evaporated and sterilised milk in Thailand

Operating in **12** High Growth Markets with over **600 MM** population base

**No. 1** Brewer in Myanmar with **83%** market share



**SGD270 MM** EBITDA and **13%** Margin in FY13

**Second Largest** F&B Company Listed on SGX <sup>(1)</sup> with market cap of US\$3.5 Bn<sup>(2)</sup>

**SGD2.3 Bn** Sales in FY13

### Notes

1. By LTM Revenue and EBITDA
2. Market cap as of 16 May 2014. Converted from local currencies to USD at spot exchange rates as of 16 May 2014

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# Key Investment Highlights



# Key Investment Highlights

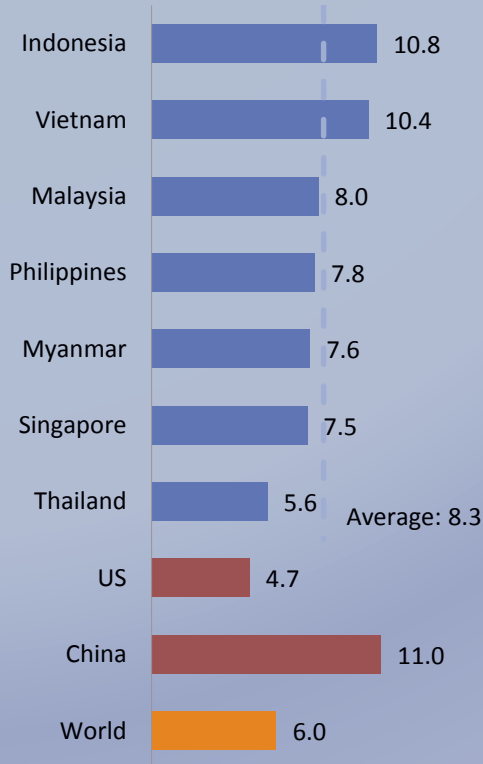
- 1 **SEA, Region on the Rise**
- 2 **The “*Must Own*” F&B Leader Across Multiple Categories and Geographies**
- 3 **Comprehensive Portfolio of Heritage Brands and Innovative Products...**
- 4 **...A Strategic Partner to the ThaiBev Group**
- 5 **Platform Now Poised for Outsized Growth Through Organic and Inorganic Expansion Across SEA**
- 6 **Proven and Experienced Leadership Team**



# 1 Southeast Asia: Region On The Rise

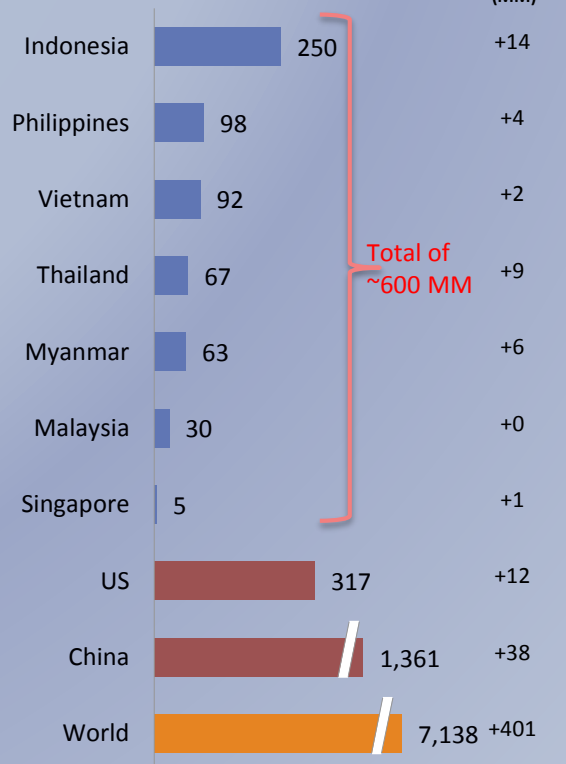
## Robust Economic Outlook

N5Y Nominal GDP Growth (%)



## ~600 MM Population Base

Population (MM)

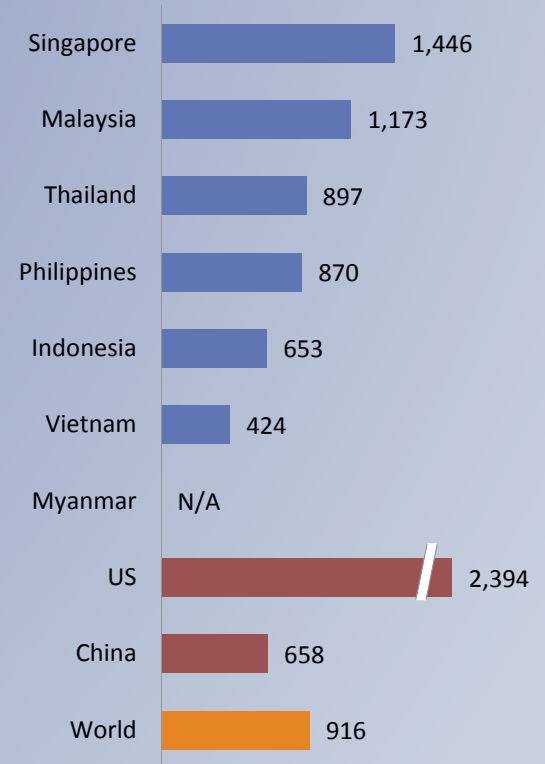


N5Y Increase (MM)

+14  
+4  
+2  
+9  
+6  
+0  
+1  
+12  
+38  
+401

## Significant Upside for F&B Consumption

F&B Expenditure Per Capita (US\$)



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Source Global Insight

Source Global Insight

Source Euromonitor



## 2 The “Must Own” F&B Leader in Southeast Asia

### Market Leadership Positions in Multiple Categories and Markets

| Business    | Key Brands   | Region    | Position <sup>(1)</sup>                            | 2013 Market Size (US\$ Bn) <sup>(2)</sup> | 2013-18E CAGR <sup>(2)</sup> |
|-------------|--|-----------|--|---|------------------------------|
| Soft Drinks |   | Malaysia  | No.1 beverage player                               | 2.0                                       | 4.3%                         |
|             | <br> | Singapore | No.1 in isotonic segment;<br>No. 2 beverage player | 1.2                                       | (1.3%)                       |
| Dairy       |   | Malaysia  | No.1 canned milk                                   | 1.1                                       | 5.3%                         |
|             |   | Singapore | No.1 in pasteurised juice and milk                 | 0.3                                       | 4.4%                         |
|             |    | Thailand  | No.1 evaporated milk and sterilised milk           | 2.4                                       | 7.6%                         |
| Beer        |   | Myanmar   | No.1   | N/A                                       | N/A                          |

#### Notes

1. As at March 2014
2. As per Euromonitor

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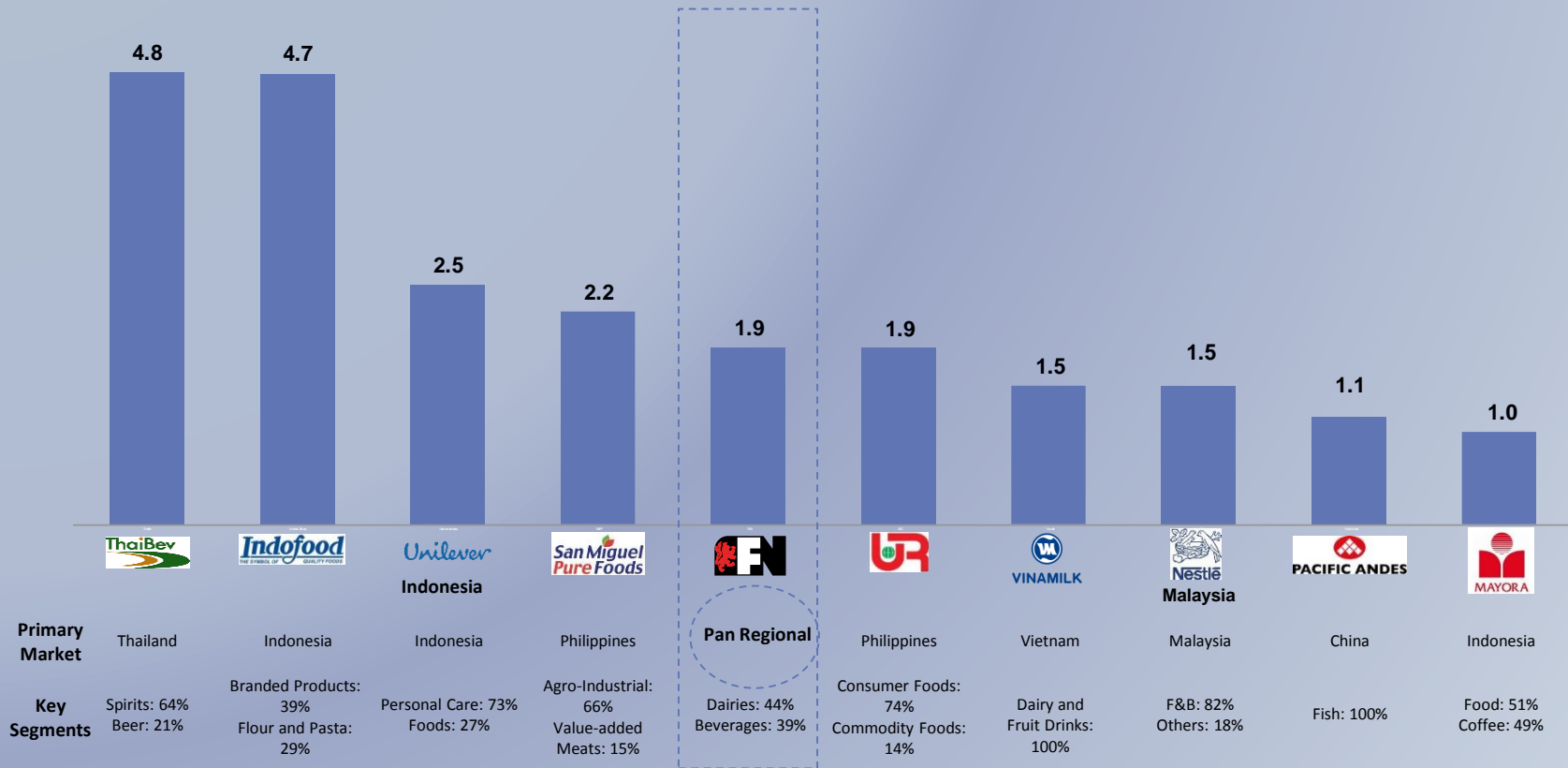


2

# With No Comparable Peer Operating Across Multiple Geographies...

## Top 10 Listed Food and Beverage Companies in Southeast Asia By Sales

Sales for Last Financial Year in US\$ Bn <sup>(1)</sup>

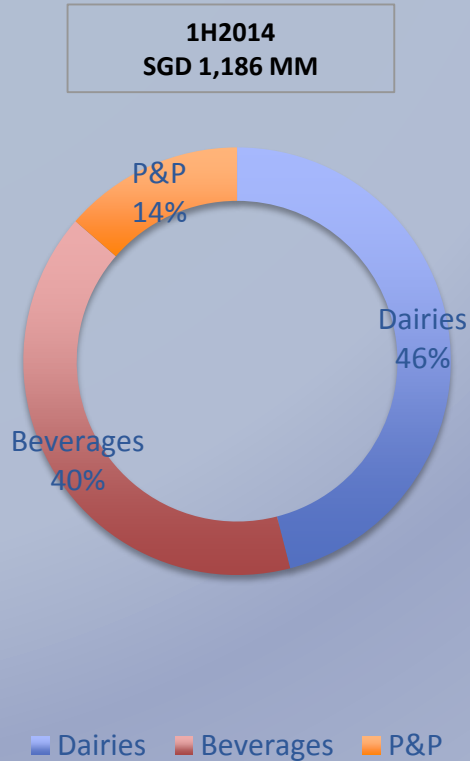


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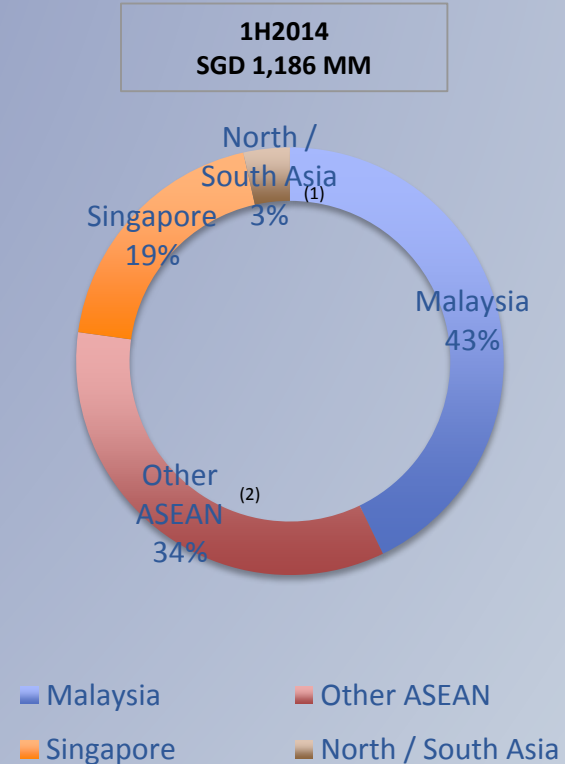
Note  
 1. Converted to USD using exchange rates as of 16 May 2014  
 Source Capital IQ

## 2 Diversified Revenue Mix Across Products and Geographies

### Revenue Breakdown By Business



### Revenue Breakdown By Geography



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Notes

1. North/South Asia includes China, Taiwan, Japan, Korea, Mongolia, Sri Lanka and India
2. Other ASEAN includes Myanmar, Thailand, Cambodia, Vietnam, Philippines, Laos and Indonesia



# 3 Comprehensive Offering of Innovative Products

## Multi-Beverage Platform of Leading Products

|                    |   |   |
|--------------------|---|---|
| <p>Soft Drinks</p> | <p>Leading market positions in Singapore and Malaysia</p>       |  <p>Carbonated      Bottled Water      Juice      Asian      Isotonic</p>   |
| <p>Dairy</p>       | <p>Leading dairy player in Singapore, Malaysia and Thailand</p> |  <p>Milk &amp; Milk Products      99% Fat-Free Milk      Soya Milk      Asian      Yogurt, Snack Bars      Juice Drink      Milk      Canned Milk</p> |
| <p>Beer</p>        | <p>No. 1 brewer in Myanmar</p>                                  |    |



# 3 Powerful Portfolio of Heritage Brands that Resonate with the Local Consumer...

## Portfolio of Regional Powerful Brands

### Non-Beer



**No. 1**  
Isotonic drink in Singapore and Malaysia



**No. 1**  
Canned milk brand in Malaysia













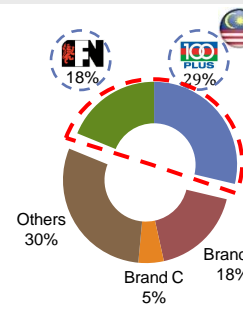
### Beer



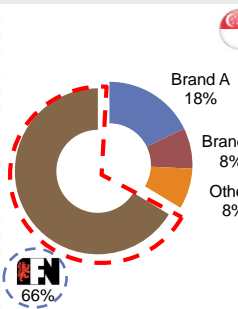
**No. 1**  
Brewer in Myanmar

- Market leadership
- Control of direct distributorship
- Capacity upgrading completed in FY2012 to seize growth opportunities

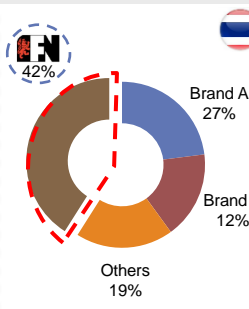
Carbonated Soft Drinks + Isotonic market share by volume<sup>(1)</sup>



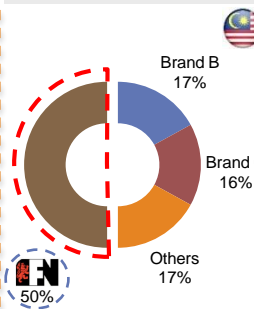
Isotonic market share by volume<sup>(1)</sup>



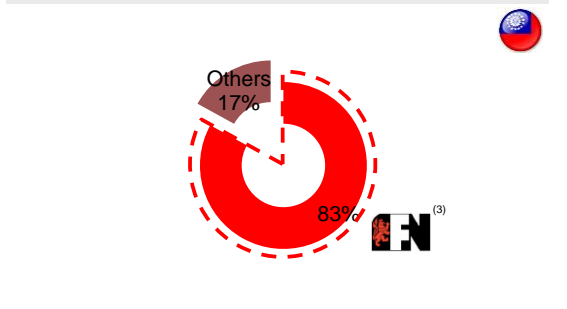
Canned milk market share by volume<sup>(1)</sup>



Canned milk market share by volume<sup>(1)</sup>



Beer Market Share by volume<sup>(2)</sup>



Notes

1. As at March 2014
  2. As at May 2013; <http://www.myanmar-business.org/2013/05/myanmar-thirsting-for-beer-hard-liquor.html>
  3. Through its subsidiary, Myanmar Brewery Limited
- Source Myanmar Business Network; Plato Logic's International Beer Report; Nielsen, MAT

|          | F&N   | Strategic Partnership with ThaiBev Group  |
|----------|---|---|
| Thailand | <ul style="list-style-type: none"> <li>• Top 3 dairy player</li> <li>• Business limited to dairy</li> </ul>   | <ul style="list-style-type: none"> <li>• Able to capture share of the growing soft drink market (N5Y CAGR of 7.4%) through <b>launch</b> of beverage products such as <b>100PLUS (by 1H2015) and SEASONS</b></li> <li>• Able to <b>capitalise on ThaiBev's strong distribution network</b> of over 400,000 points of sale, largest in Thailand</li> </ul> |
| Malaysia | <ul style="list-style-type: none"> <li>• Strong distribution platform with 72,000 outlets, 60,000 cooler units, and 5,100 vending machines</li> <li>• #3 in Asian Specialty Drinks</li> </ul>                         | <ul style="list-style-type: none"> <li>• <b>Entered Malaysia's green tea market</b>, estimated to be worth US\$50MM<sup>(1)</sup></li> <li>• <b>Launched Oishi, Thailand's leading RTD tea brand, in Malaysia</b></li> <li>• Plan to expand distribution to Singapore and Brunei (market size of ~US\$6MM<sup>(1)</sup>)</li> </ul>                       |
| Myanmar  | <ul style="list-style-type: none"> <li>• Post divestment of APB, the only market in beer segment</li> <li>• #1 brewer with &gt;80% market share</li> <li>• Launched 100PLUS in Myanmar</li> </ul>                     | <ul style="list-style-type: none"> <li>• Leverage <b>ThaiBev expertise</b> in beer and other alcoholic products including spirits</li> </ul>  |
| Other    | <ul style="list-style-type: none"> <li>• <b>Reduce procurement costs</b> through <b>greater economies of scale</b></li> <li>• Explore further <b>cost synergies</b> and <b>cross-selling</b> opportunities</li> </ul> |   |

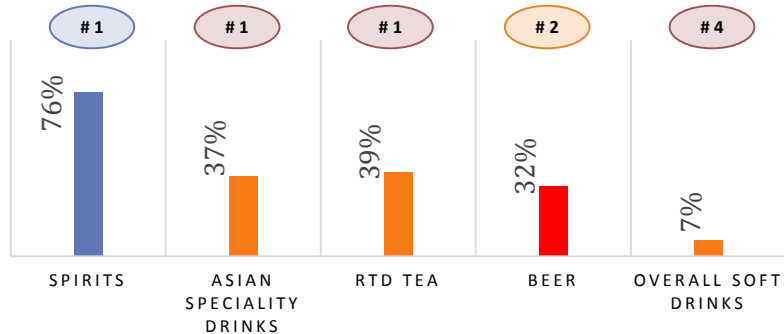
**Note**

1. Market size of Asian Specialty Drinks for 2013 as per Euromonitor

# 4 Significant Scope for Further Leveraging ThaiBev Capabilities

## Leadership Positions in Thailand

Market Share for 2012<sup>(1)</sup>



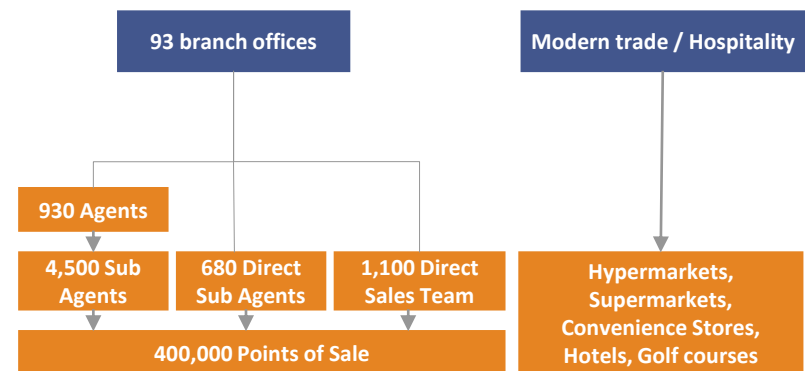
## Strong Base of Manufacturing Facilities

|                                |   |
|--------------------------------|---|
| <b>Spirits</b>                 | <ul style="list-style-type: none"> <li>• 18 distilleries in Thailand</li> <li>• Production capacity of 819MM liters p.a.</li> </ul> |
| <b>Beer</b>                    | <ul style="list-style-type: none"> <li>• 3 breweries in Thailand</li> <li>• Production capacity of 1,550MM liters p.a.</li> </ul>   |
| <b>Non-Alcoholic Beverages</b> | <ul style="list-style-type: none"> <li>• 10 production facilities</li> <li>• Mainly through Serm Suk and Oishi</li> </ul>           |

## Extensive Portfolio of Brands Across Categories

|                                   |                 |
|-----------------------------------|-----------------|
| <b>Spirits</b><br>                | <b>Beer</b><br> |
| <b>Non-Alcoholic Beverage</b><br> | <b>Food</b><br> |

## Broad Distribution Network of 400,000 Points of Sale



Note

1. Latest available  
Source Euromonitor, ThaiBev Broker Research, Company Website

# 5 Platform Now Poised for Outsized Growth Through Organic and Inorganic Expansion Across SEA...

## Strategic Expansion Across ASEAN

| Myanmar             |          |          |
|---------------------|----------|----------|
|                     | Current  | N5Y CAGR |
| GDP                 | US\$54Bn | 10.6%    |
| Population          | 62MM     | 2.0%     |
| F&B Exp. Per Capita | N/A      | N/A      |

| Vietnam             |           |          |
|---------------------|-----------|----------|
|                     | Current   | N5Y CAGR |
| GDP                 | US\$142Bn | 11.3%    |
| Population          | 90MM      | 1.0%     |
| F&B Exp. Per Capita | US\$345   | 13.7%    |

| Thailand            |           |          |
|---------------------|-----------|----------|
|                     | Current   | N5Y CAGR |
| GDP                 | US\$366Bn | 8.6%     |
| Population          | 70MM      | 0.4%     |
| F&B Exp. Per Capita | US\$1,016 | 6.5%     |

| Philippines         |           |          |
|---------------------|-----------|----------|
|                     | Current   | N5Y CAGR |
| GDP                 | US\$250Bn | 10.3%    |
| Population          | 97MM      | 1.7%     |
| F&B Exp. Per Capita | US\$823   | 6.7%     |

| Indonesia           |           |          |
|---------------------|-----------|----------|
|                     | Current   | N5Y CAGR |
| GDP                 | US\$878Bn | 10.4%    |
| Population          | 245MM     | 0.9%     |
| F&B Exp. Per Capita | US\$655   | 10.1%    |

| Malaysia            |           |          |
|---------------------|-----------|----------|
|                     | Current   | N5Y CAGR |
| GDP                 | US\$304Bn | 8.8%     |
| Population          | 29MM      | 1.5%     |
| F&B Exp. Per Capita | US\$1,084 | 5.1%     |

- Focus on core markets in SEA
- Large population of ~600m
- Tap rising affluence and preference for healthier beverages
- Extend market reach
- Penetrate new markets

### Partnerships



Slide 17

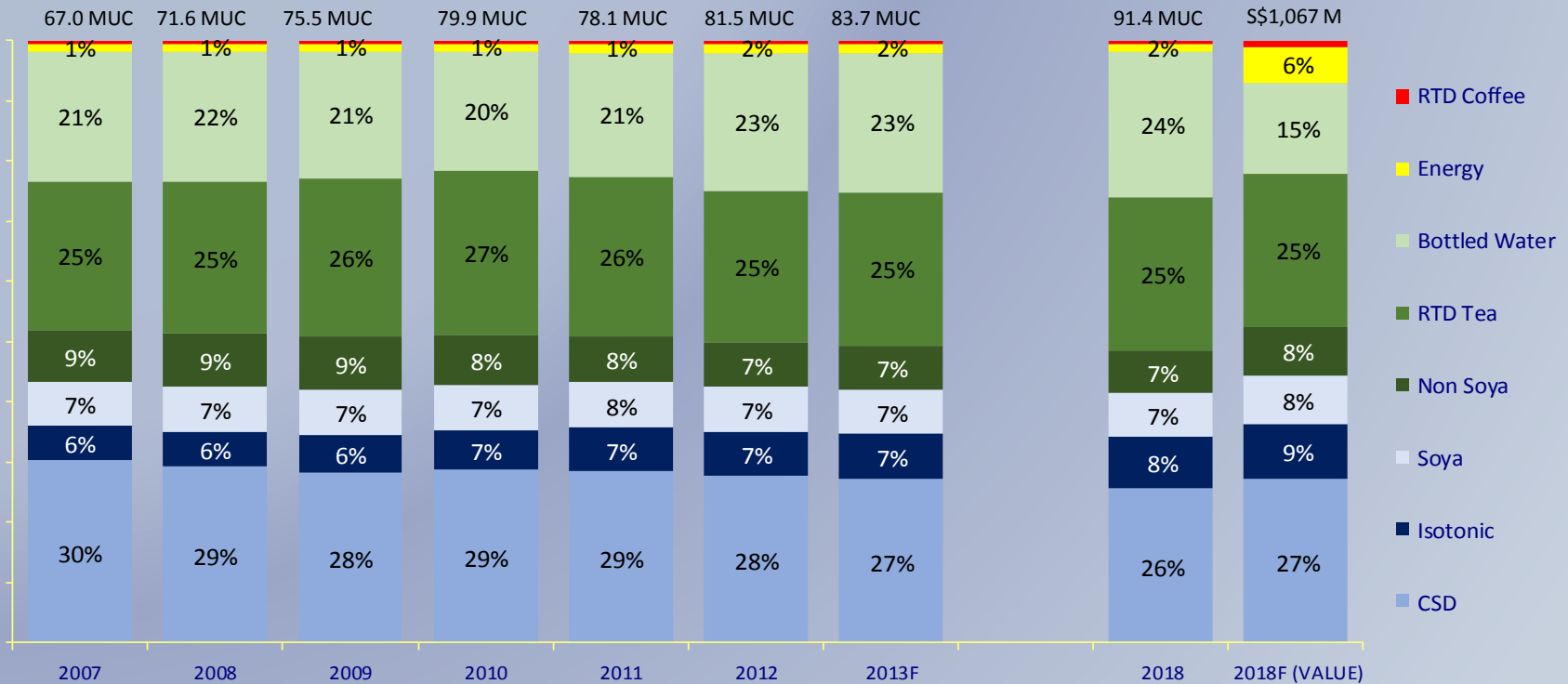
Per capita consumer expenditure on food and non-alcoholic beverages. F&B expenditure per capita in the US and the UK is US\$2,273 and US\$2,214, respectively

5

# Poised to Capitalise on the Growing NARTD Market | Singapore



| Category   | Total | CSD   | ASD (non-soya) | Soya | Sports | Water | Tea   | Coffee | Energy |
|------------|-------|-------|----------------|------|--------|-------|-------|--------|--------|
| 'MM Lits   | 462.6 | 128.5 | 34.3           | 34.5 | 33.5   | 105.7 | 116.5 | 2.5    | 7.1    |
| 'MM UCS    | 81.4  | 22.6  | 6.0            | 6.1  | 5.9    | 18.6  | 20.5  | 0.4    | 1.3    |
| P5Y CAGR % | 4.0%  | 2.1%  | 0.9%           | 4.7% | 9.0%   | 5.3%  | 4.4%  | 1.7%   | 7.8%   |
| N5Y CAGR % | 2.0%  | 0.7%  | 1.3%           | 1.5% | 4.5%   | 2.9%  | 2.3%  | 1.2%   | 1.6%   |



Slide 18 Source: 2012, Average of Nielsen Adjusted, Euromonitor and Canadean, Nielsen Retail Audit for share within each category, 2012 Except Energy and Coffee (Euromonitor) ASD includes Soya Drink and ASD, both chilled and non-chilled

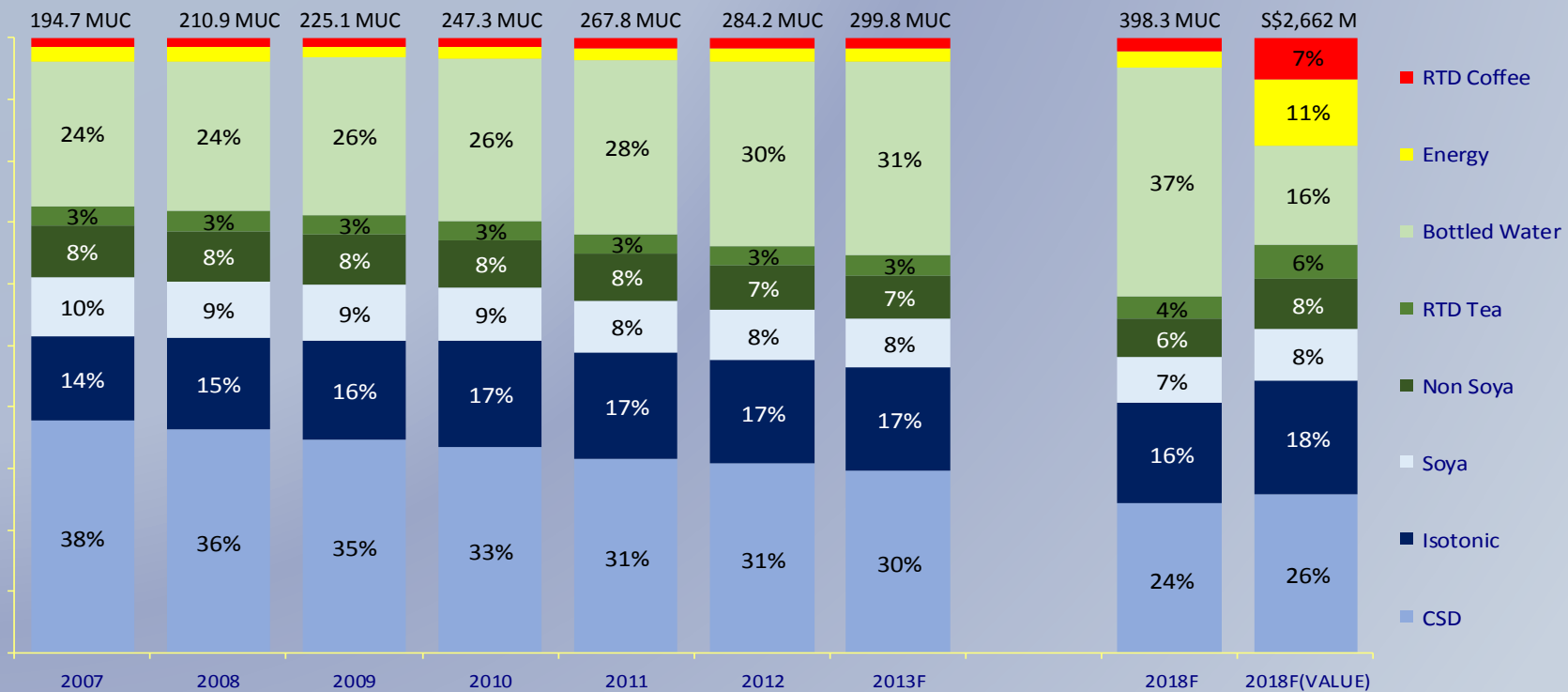


5

# Poised to Capitalise on the Growing NARTD Market | Malaysia



| Category   | Total   | CSD   | ASD (non-soya) | Soya  | Sports | Water | Tea  | Coffee | Energy |
|------------|---------|-------|----------------|-------|--------|-------|------|--------|--------|
| 'MM Lits   | 1,613.7 | 496.8 | 114.7          | 133.1 | 269.8  | 484.5 | 53.4 | 28.8   | 32.7   |
| 'MM UC     | 284.2   | 87.5  | 20.2           | 23.4  | 47.5   | 85.3  | 9.4  | 5.1    | 5.8    |
| P5Y CAGR % | 7.8%    | 3.6%  | 4.7%           | 4.4%  | 12.3%  | 13.2% | 7.8% | 12.0%  | 4.9%   |
| N5Y CAGR % | 5.7%    | 1.7%  | 3.4%           | 3.4%  | 5.5%   | 9.8%  | 7.2% | 9.8%   | 10.8%  |



Slide 19

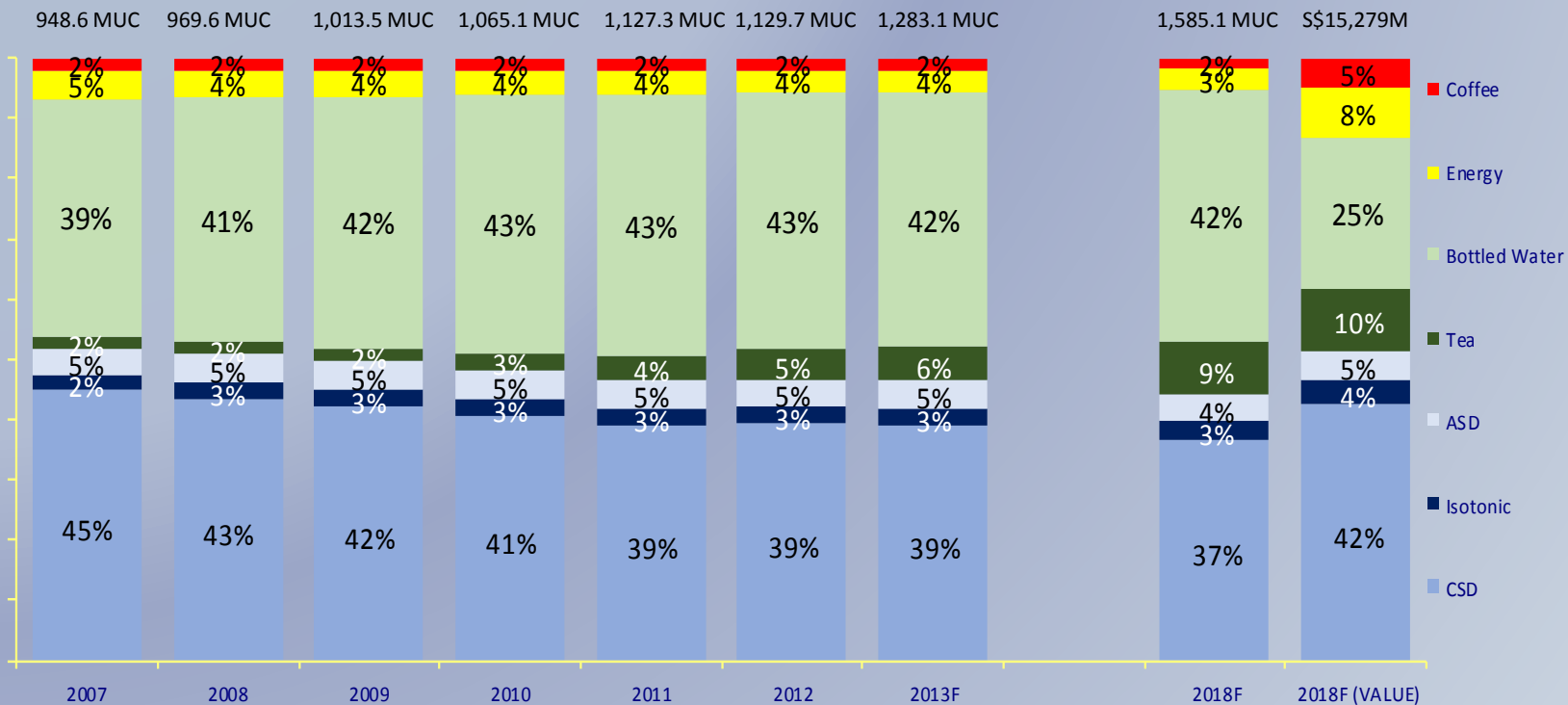
Source: 2012, Canadean for Market Size and CAGR; Nielsen Retail Audit for share within each category 2012, except Energy using Canadean CSD includes BIB

5

# Poised to Capitalise on the Growing NARTD Market | Thailand



| Category   | Total   | CSD     | ASD   | Sports | Water   | Tea   | Coffee | Energy |
|------------|---------|---------|-------|--------|---------|-------|--------|--------|
| 'MM Lits   | 6,829.3 | 2,741.8 | 316.5 | 205.5  | 2,975.2 | 339.7 | 137.4  | 266.2  |
| 'MM UCS    | 1,229.7 | 482.9   | 55.7  | 36.2   | 524.0   | 59.8  | 24.2   | 46.9   |
| P5Y CAGR % | 3.0%    | 2.6%    | 5.3%  | 8.9%   | 7.0%    | 26.8% | 3.4%   | 1.6%   |
| N5Y CAGR % | 8.0%    | 3.1%    | 3.3%  | 3.6%   | 3.5%    | 12.4% | 3.6%   | 2.8%   |



Slide 20

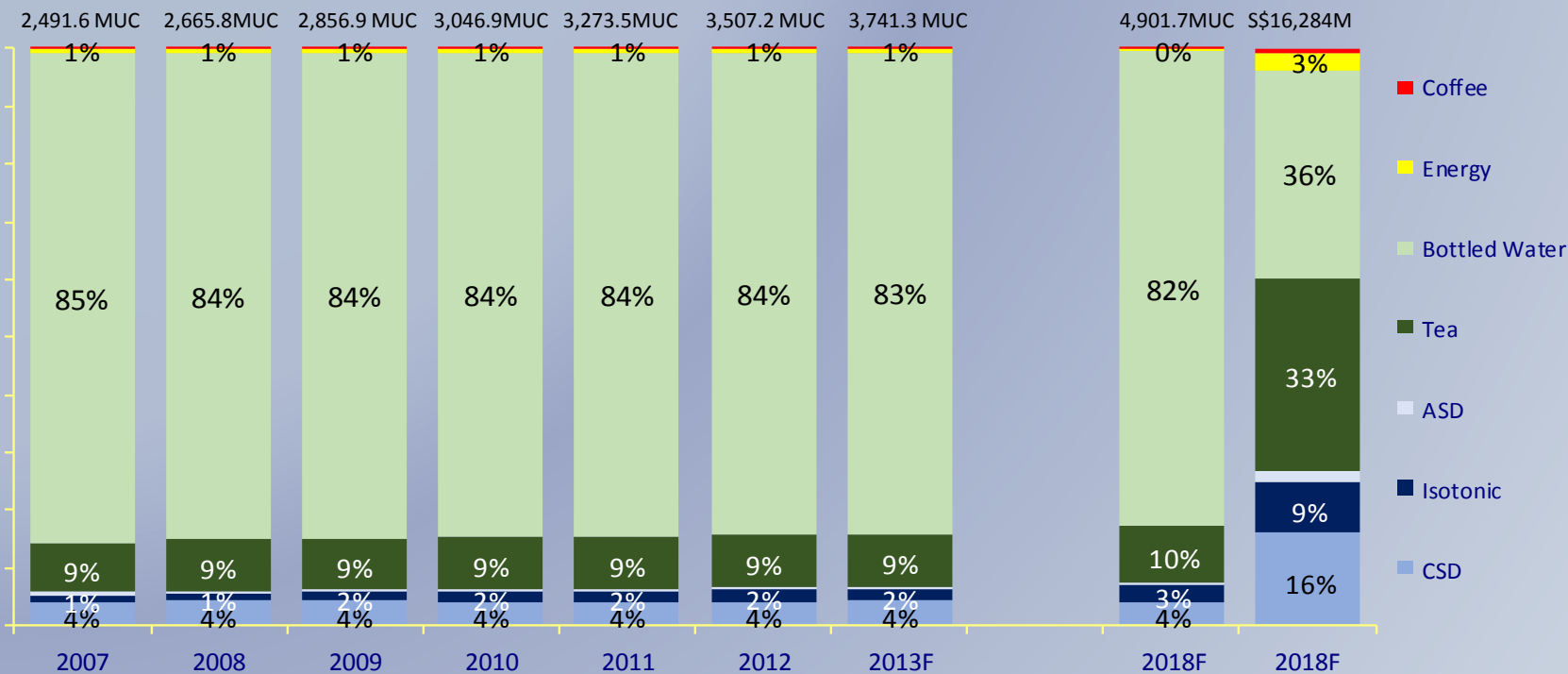
Source: Average of Nielsen Adjusted, EuroMonitor and Canadean, Nielsen Retail Audit for share within each category, 2012 Except Energy and Coffee (Euromonitor) ASD includes Soya Drink, ASD and both chilled and non chilled

5

# Poised to Capitalise on the Growing NARTD Market | Indonesia



| Category   | Total    | CSD   | ASD   | Sports | Water    | Tea     | Coffee | Energy |
|------------|----------|-------|-------|--------|----------|---------|--------|--------|
| 'MM Lits   | 19,914.0 | 822.1 | 101.0 | 386.3  | 16,667.9 | 1,814.9 | 12.4   | 109.3  |
| 'MM UCS    | 3,507.2  | 144.8 | 17.8  | 68.0   | 2,935.5  | 319.6   | 2.2    | 19.3   |
| P5Y CAGR % | 7.1%     | 7.0%  | 10.3% | 20.1%  | 6.7%     | 8.2%    | 14.5%  | 4.5%   |
| N5Y CAGR % | 5.7%     | 5.3%  | 6.4%  | 13.0%  | 5.4%     | 7.1%    | 13.0%  | 3.1%   |



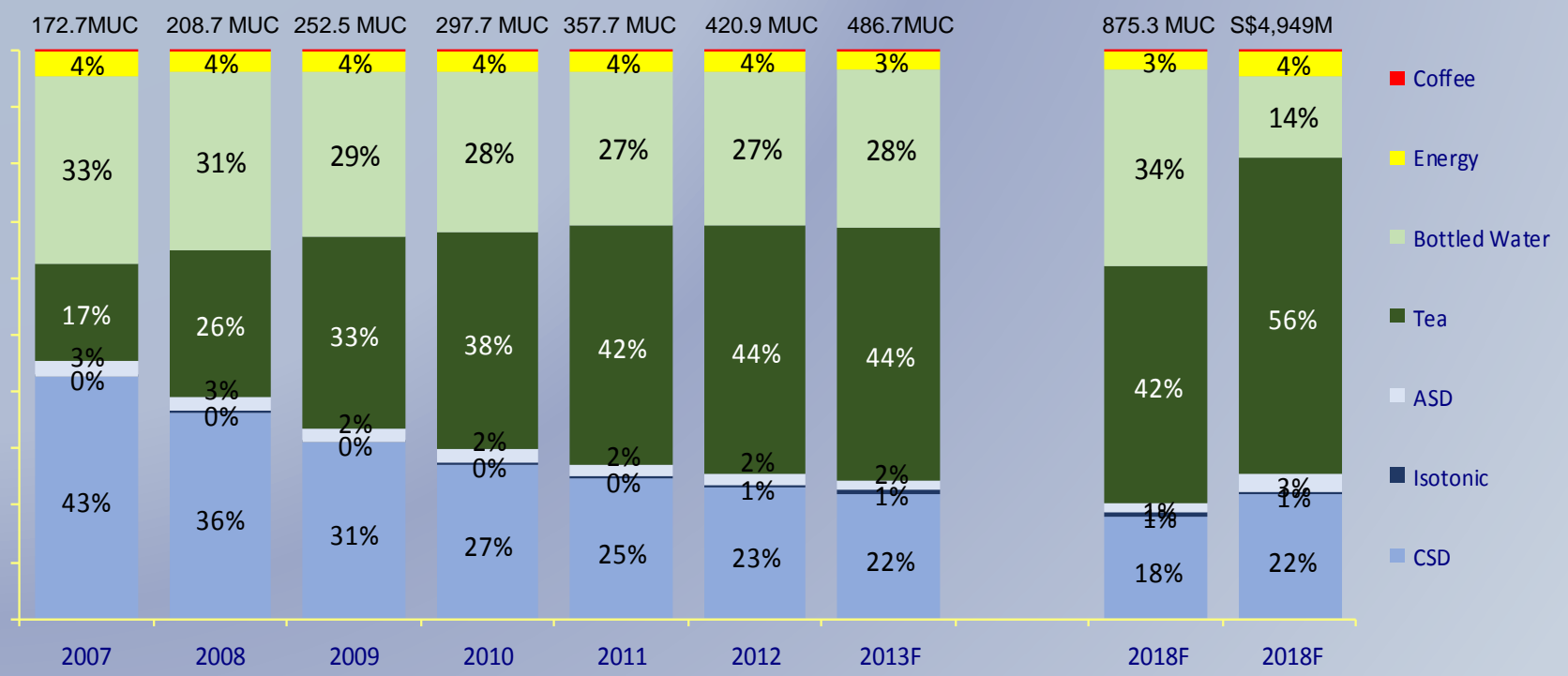
Slide 21  
 Source: Euromonitor  
 ASD includes Soya Drink

5

# Poised to Capitalise on the Growing NARTD Market | Vietnam



| Category   | Total   | CSD   | ASD   | Sports | Water | Tea     | Coffee | Energy |
|------------|---------|-------|-------|--------|-------|---------|--------|--------|
| 'MM Lits   | 2,390.0 | 554.3 | 46.3  | 12.1   | 650.5 | 1,041.8 | 1.0    | 83.9   |
| 'MM UCS    | 420.9   | 97.6  | 8.2   | 2.1    | 114.6 | 183.5   | 0.2    | 14.8   |
| P5Y CAGR % | 19.5%   | 5.9%  | 10.4% | 60.5%  | 15.0% | 44.1%   | 15.6%  | 14.5%  |
| N5Y CAGR % | 12.9%   | 8.4%  | 7.8%  | 22.4%  | 17.4% | 12.2%   | 7.2%   | 12.8%  |



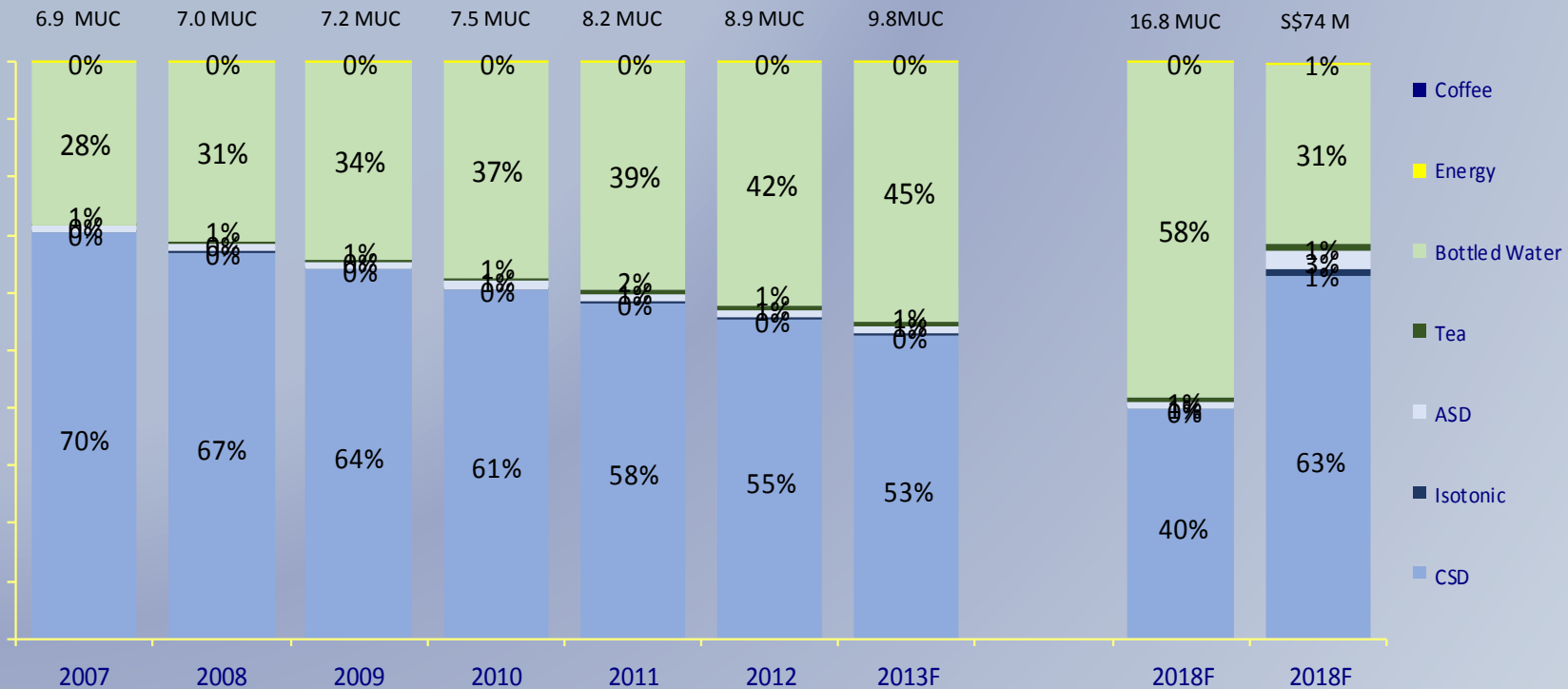
Slide 22  
 Source: Euromonitor  
 ASD includes Soya Drink.

5

# Poised to Capitalise on the Growing NARTD Market | Cambodia



| Category   | Total | CSD  | ASD   | Sports | Water | Tea   | Coffee | Energy |
|------------|-------|------|-------|--------|-------|-------|--------|--------|
| 'MM Lits   | 50.7  | 28.1 | 0.7   | 0.1    | 21.3  | 0.4   | 0.0    | 0.1    |
| 'MM UCS    | 8.9   | 4.9  | 0.1   | 0.0    | 3.8   | 0.1   | 0.0    | 0.0    |
| P5Y CAGR % | 5.4%  | 0.5% | 11.8% | 3.9%   | 14.3% | 25.3% | NA     | 7.3%   |
| N5Y CAGR % | 10.5% | 4.7% | 7.4%  | 20.7%  | 16.7% | 11.9% | NA     | 12.8%  |



Slide 23  
 Source: Euromonitor  
 ASD includes Soya Drink



## 5 Acquisition of Yoke Food Industries



- Acquired 70% stake for SGD21 MM in April 2014
- Offers Asian soya bean drinks, fruit juice, coffee, energy drinks, tea drinks in Malaysia
- Secured access to production capacity in the fast growing non-carbonated beverages segment
- Broaden routes to fast growing markets, in particular Indonesia and Indochina



# 6 Proven and Experienced Leadership Team

## Leadership Team

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Restructured Leadership Team Brings Dedicated Focus on Growing the F&B Business



**Mr Koh Poh Tiong**

- Advisor and Director of the F&N Board
- Chairman of the Executive Committee and F&B Board Committee
- Formerly CEO of F&N (F&B Division) for 3 years and Asia Pacific Breweries Limited (“APB”) for 15 years

### Non-Beer



**Dato Ng Jui Sia**

- CEO of Non-Alcoholic Beverage Division
- Formerly CEO of F&N Holdings Bhd
- 19 years of experience with the F&N Group

### Beer



**Mr Huang Hong Peng**

- CEO of Beer Division
- Formerly held various senior regional management positions in APB for 13 years

# F&N's ambition is to be a leading F&B player in SEA

## Strategy

Maintain leadership and grow profits with Power Brands in Southeast Asia

1

## Strategy

Leverage on strengths of strategic partners

2

## Strategy

Drive commercial excellence

3

## Strategy

Targeted acquisitions

4



# Half-Year FY2014 Financial Highlights

“ကျွန်တော် မြန်မာ့လက်ရွေးစင်အသင်း  
အတွက် အမြဲကစားပေးချင်ပါတယ်။  
အဲဒီစိတ်က ကျွန်တော်သေတဲ့  
အထိ ပျောက်မှာမဟုတ်ပါဘူး။”

- Kyaw Ko Ko  
Myanmar National Team Striker

**100PLUS**  
SEA Games *PASSION*



*Congratulations Team Myanmar*  
**You Make us Proud**

ရက်စွဲလှည့်ကပါ တို့  
**Myanmar**



# Our strategic priorities are clear...

## Strategy

Maintain leadership and grow profitability with Power Brands in Southeast Asia

- Growth delivered
- Maintained strong leadership positions in Singapore, Malaysia and Thailand
- Maintained our leadership via innovation and renovation
- Growth driven by Power Brands

## Strategy

Leverage strengths of strategic partners

- Ongoing collaborations with key strategic partners
- Oishi performed within expectations
- Target to launch 100PLUS in Thailand by 1H2015

## Strategy

Drive commercial excellence

- Focused on “Perfect Store Execution”
- Stronger route to market
- F&B EBITDA margins improved from 13.44% to 14.55%

## Strategy

Targeted acquisitions

- Acquired 70% of YFI



# Growth Delivered...

despite weaker Ringgit and Kyat

Revenue  
(S\$ millions)

\$1,186.0  
▲ 4.4%

Earnings before interest and tax ("EBIT")  
(S\$ millions)

\$147.4<sup>2,3</sup>  
▲ 39.4%

EBIT margin  
(%)

12.4%  
▲ 312bps

Gearing  
(S\$ millions)

\$875<sup>4</sup> (net cash)  
▲ -nm-

Earnings per share (basic)  
(S¢)

5.1<sup>2,3</sup>  
▲ 15.9%

Dividend per share (interim)  
(S¢)

2.0 (capital reduction of \$0.42 in Apr 2014)  
▼ 42.9%

<sup>1</sup> Restated upon the adoption of Revised FRS 19 and demerger of Frasers Centrepoint Limited ("FCL")

<sup>2</sup> Excludes Discontinued Operations

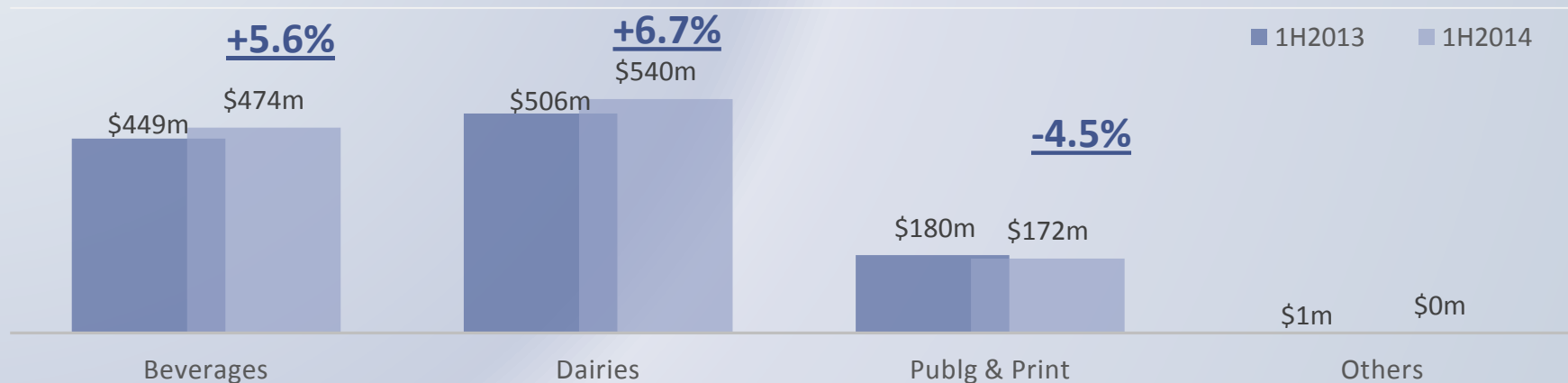
<sup>3</sup> Before fair value adjustment and exceptional items

<sup>4</sup> Before capital reduction of \$607m in April 2014

# Revenue by Business

Topline growth supported by strong volume growth in Food & Beverage

Revenue 1H2013<sup>1</sup> : S\$1,136.3m 1H2014: S\$1,186.0m +4.4%



|                       | 1H2013 <sup>1</sup> | 1H2014 |
|-----------------------|---------------------|--------|
| Beverages             | 39%                 | 40%    |
| Dairies               | 45%                 | 46%    |
| Publishing & Printing | 16%                 | 14%    |
| Others                | 0%                  | 0%     |

<sup>1</sup> Restated upon the adoption of Revised FRS 19 and demerger of FCL

<sup>2</sup> Beverages comprises Soft Drinks and Beer

<sup>3</sup> Publg & Print denotes Publishing & Printing

# Revenue | Beverages

Revenue growth curbed by weaker Kyat and Ringgit

|                      | 1H2013 <sup>1</sup> | 1H2014  | Change |
|----------------------|---------------------|---------|--------|
| Volume ('000 litres) | 421                 | 445     | +5.7%  |
| Revenue              | S\$449m             | S\$474m | +5.6%  |

## Beer

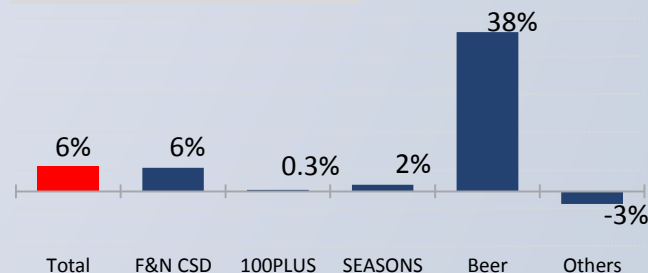
- Volume jumped 38%, driven by effective marketing and sports sponsorship
- *MYANMAR BEER* recorded double-digit growth; *ANDAMAN BEER* volume more than doubled
- Weaker Kyat adversely affected revenue; Beer revenue improved 21%

## Soft Drinks

- Volume and sales adversely affected by weaker consumer sentiment due to withdrawal of Government subsidies
- *100PLUS* and *F&N SEASONS Nutrisoy* recorded an increase in market share
- Weaker Ringgit of 3% resulted in a slight drop in Soft Drinks topline by 1%

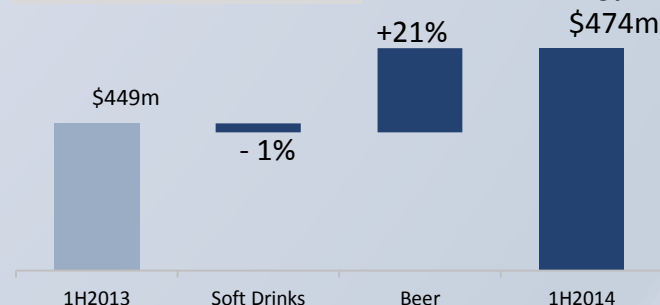
### Volume growth

(Key Brands) (%)



### Revenue

(S\$ millions)



# Revenue | Dairies

Dairies in Malaysia and Thailand recorded double-digit volume growth

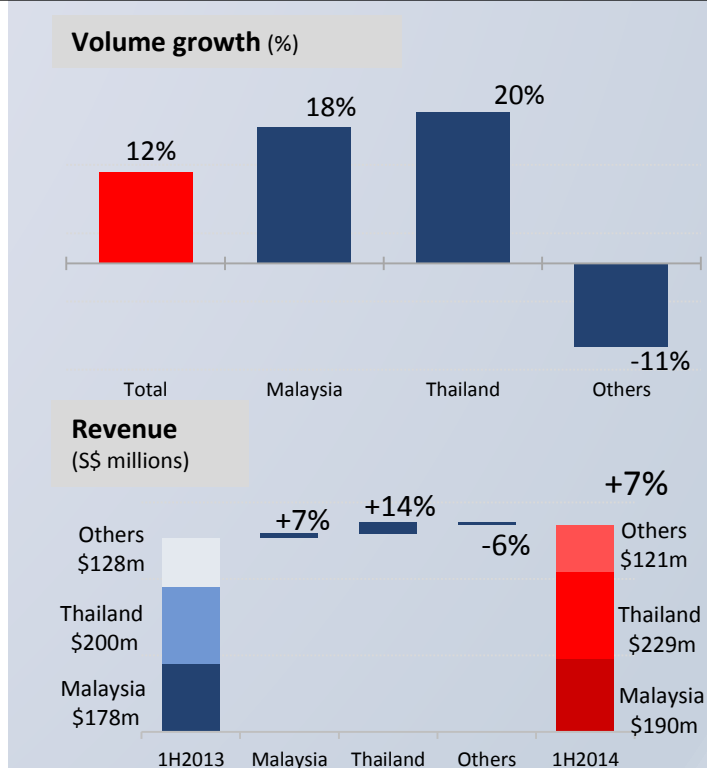
|                         | 1H2013 <sup>1</sup> | 1H2014     | Change |
|-------------------------|---------------------|------------|--------|
| Volume ('000 kg/litres) | 266                 | <b>298</b> | +12.0% |
| Revenue                 | S\$506m             | S\$540m    | +6.7%  |

## Dairies: Malaysia

- Strong volume growth driven by increased share of on-trade and various brand awareness, promotional and effective trade discount management programmes, despite weaker consumer sentiment
- Volume increase is ahead of category growth
- Revenue growth driven mainly by *TEAPOT* and *GOLD COIN* canned milk
- Sales adversely affected by weaker Ringgit

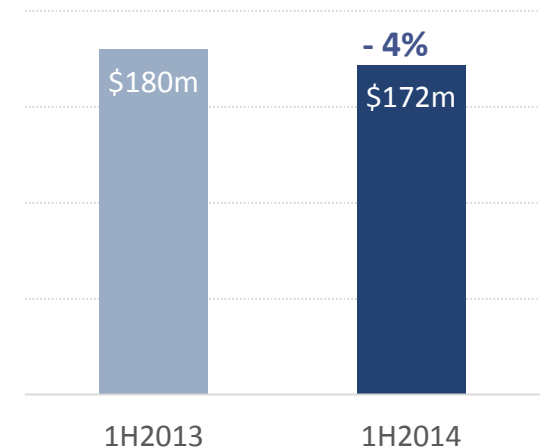
## Dairies: Thailand

- Double-digit volume and sales growth arising from effective brand building activities and increased outlets penetration
- F&N brands performed well, with higher sales from *TEAPOT* canned milk and *F&N MAGNOLIA* pasteurised milk
- Sales adversely affected by weaker Baht



# Revenue | Publishing & Printing

- Overseas expansion on track
  - Strong overseas sales partly offset by lower local sales
  - Exclusive partnership with Oxford University Press; textbook adoption in Chile
- Downward price pressure on Printing and lower non-magazine distribution sales
  - Despite lower prices, print volume remained stable
  - Lower demand from the US, Europe and Australia, partly compensated by successful acquisition of local and regional print work



# EBIT by Business

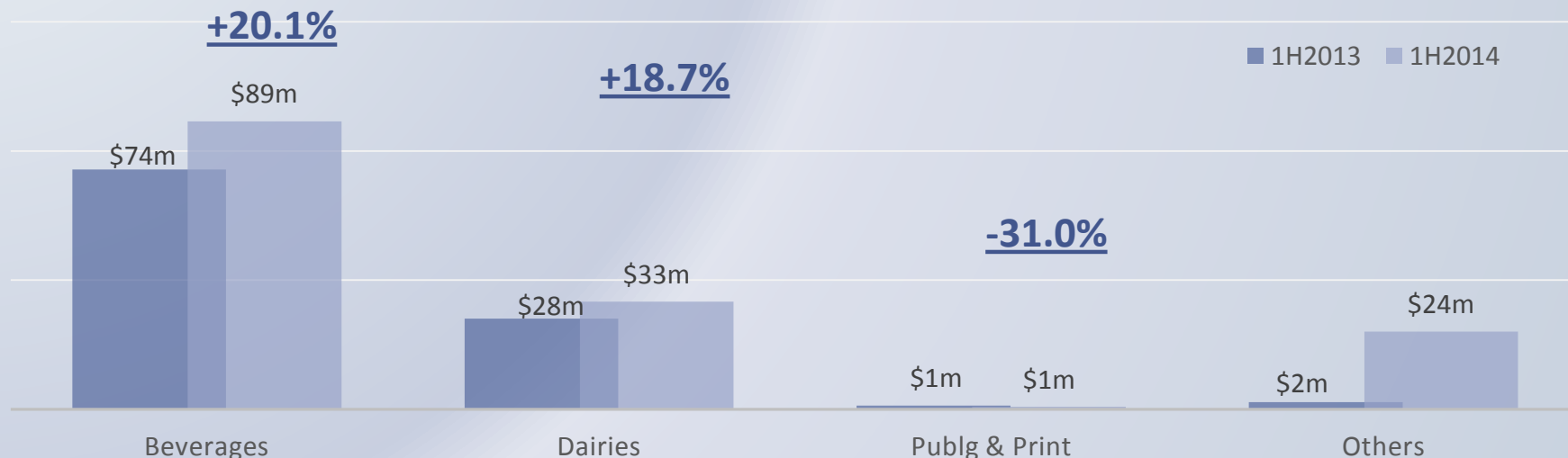
Profit growth supported by Food & Beverage

EBIT

1H2013<sup>1</sup> : S\$105.8m

1H2014: S\$147.4m

+39.4%



|                       | 1H2013 <sup>1</sup> | 1H2014 |
|-----------------------|---------------------|--------|
| Beverages             | 70%                 | 60%    |
| Dairies               | 27%                 | 23%    |
| Publishing & Printing | 1%                  | 1%     |
| Others                | 2%                  | 16%    |

<sup>1</sup> Restated upon the adoption of Revised FRS 19 and demerger of FCL

<sup>2</sup> Beverages comprises Soft Drinks and Beer

<sup>3</sup> Publg & Print denotes Publishing & Printing

# EBIT | Beverages

Earnings jumped 20% on higher sales and improved margins, despite weaker Kyat and Ringgit

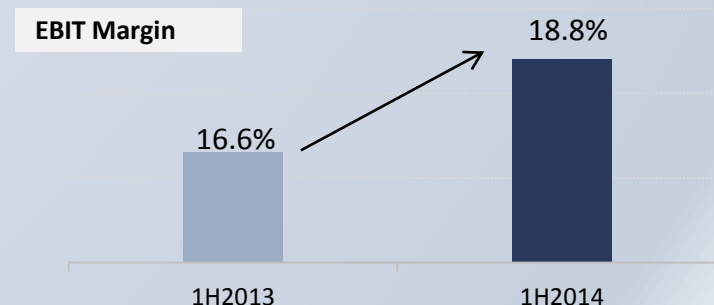
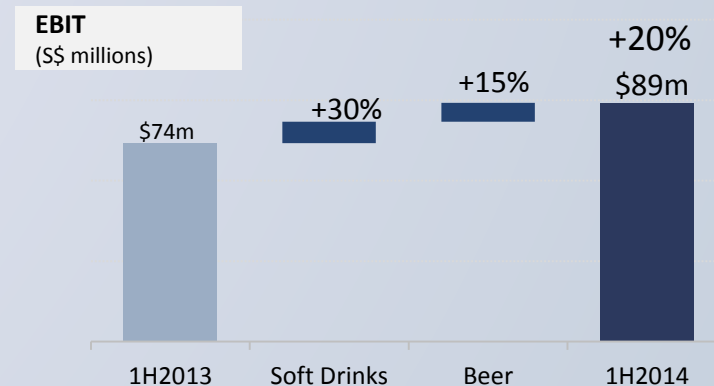
|                      | 1H2013 <sup>1</sup> | 1H2014        | Change        |
|----------------------|---------------------|---------------|---------------|
| Volume ('000 litres) | 421                 | 445           | +5.7%         |
| Revenue              | S\$449m             | S\$474m       | +5.6%         |
| <b>EBIT</b>          | <b>S\$74m</b>       | <b>S\$89m</b> | <b>+20.1%</b> |

## Beer

- Earnings driven by higher sales
- Higher marketing spend and distribution cost as well as weaker Kyat affected earnings; Beer EBIT improved 15%

## Soft Drinks

- Singapore returned to profit with improved sales and operational efficiencies
- Favourable sales mix, lower trade discounts, lower input costs and improved factory yield boosted earnings by 30%
- Margins improved to 11.1%
- Continuous effort to invest in brand building and innovation to protect market positions in Singapore and Malaysia





# EBIT | Dairies

Margins improved on lower input and conversion costs

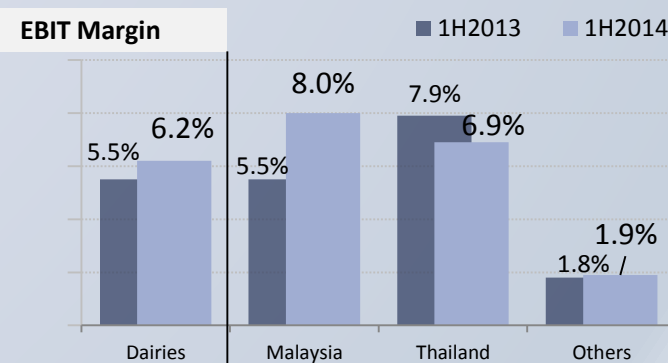
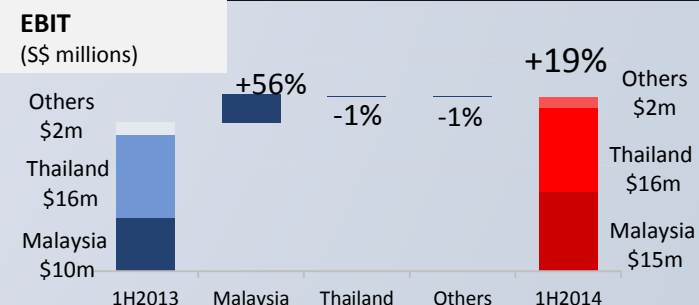
|                         | 1H2013 <sup>1</sup> | 1H2014        | Change        |
|-------------------------|---------------------|---------------|---------------|
| Volume ('000 kg/litres) | 266                 | 298           | +12.0%        |
| Revenue                 | S\$506m             | S\$540m       | +6.7%         |
| <b>EBIT</b>             | <b>S\$28m</b>       | <b>S\$33m</b> | <b>+18.7%</b> |

## Dairies: Malaysia

- Volume grew 18%, ahead of category from improved market execution
- Earnings improved by 56% on higher sales and conversion cost savings arising from the best-in-class Pulau Indah plant
- EBIT margin improved to 8.0%

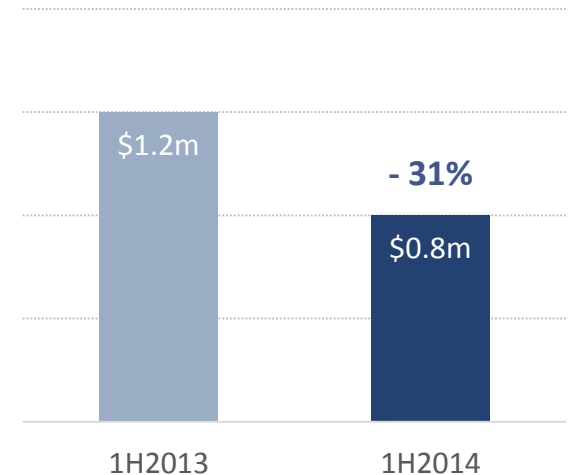
## Dairies: Thailand

- Despite strong volume growth, EBIT dropped slightly by 1% due to higher input costs and weaker Baht



# EBIT | Publishing & Printing

- Printing profitability improved
  - 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 sales from local Education Publishing and non-magazine distribution, and higher amortization cost from Publishing
- Improved performance of associated companies boosted profit



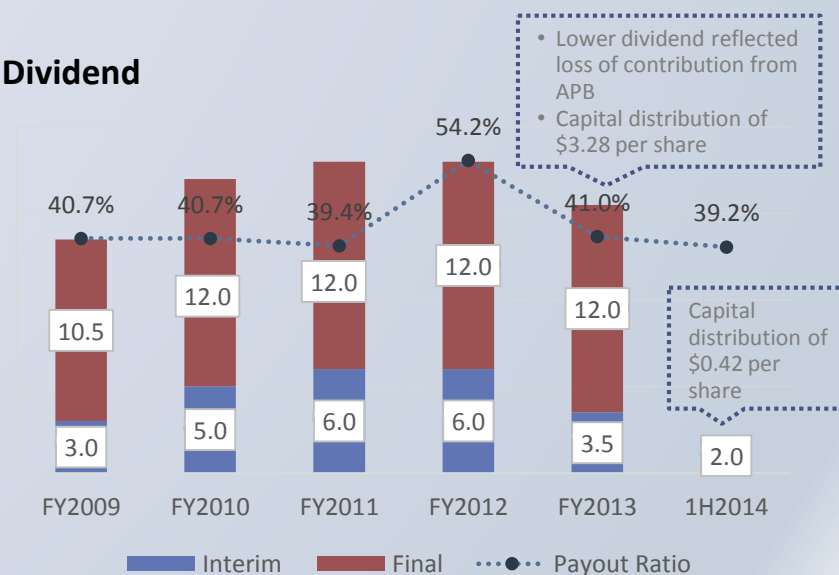
# Maintained a strong financial position and focused on prudent balance sheet management

- 1H2014 balance sheet reflects completion of distribution *in specie* of Frasers Centrepoint Limited shares
- Capital distribution of S\$0.42 per share (S\$607 million) completed in April 2014
  - Including S\$3.28 per share capital distribution in July 2013, the Group had distributed some S\$12 billion to shareholders in last 12 months
  - Net cash position
- Declared interim dividend of 2.0 cents per share
  - Reflected Group's earnings following demerger
  - Considered Group's capital position and near-term capital needs
  - Dividend policy unchanged

## Key Financial Ratios

|                           | 1H2014               | FY2013 <sup>1</sup> |
|---------------------------|----------------------|---------------------|
| Total Equity <sup>2</sup> | S\$2,703m            | S\$8,878m           |
| Total Assets              | S\$3,403m            | S\$14,145m          |
| Net cash/(Debt)           | S\$875m <sup>3</sup> | (S\$1,500m)         |

## Dividend



<sup>1</sup> Restated upon the adoption of Revised FRS 19  
<sup>2</sup> Includes non-controlling interest  
<sup>3</sup> Before capital reduction of \$607m in April 2014



***Chill with  
the **New Pint!*****

Summary

*the new pint!*

# Summary

- Entering our next growth phase
  - Fast-growing Southeast Asian markets
  - Focus on strengthening and growing power brands
  - Identify and grow new growth pillars/categories
  - Leverage strengths of partners
  - Targeted acquisitions
- Proven strategies in place for a sustainable long-term growth
  - Diversified footprint and proven business model
  - Strong brands and leadership positions

Jom hidrat semula!





FRASER AND NEAVE, LIMITED

Thank you

Analyst and media contact:

Jennifer Yu

Head, Investor Relations

Tel: (65) 6318 9231

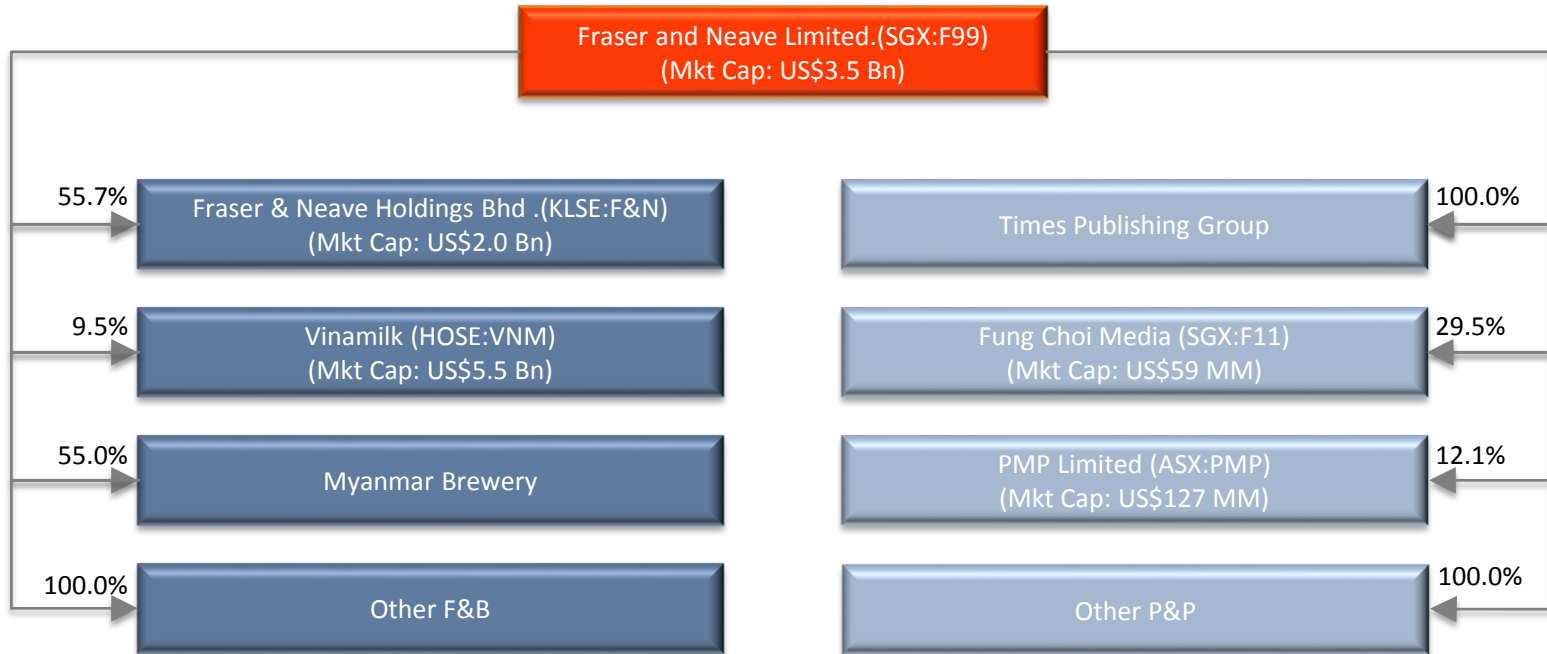
Email: [jenniferyu@fngroup.com.sg](mailto:jenniferyu@fngroup.com.sg)

Fraser and Neave, Limited

| Web: [fraserandneave.com](http://fraserandneave.com)

# Overview of F&N Organisation Structure

## Organisation Structure<sup>(1)</sup>



 F&B

 P&P

**Note**

1. Market data as of 16 May 2014. Converted from local currencies to USD at spot exchange rates as of 16 May 2014