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FRASER AND NEAVE, LIMITED

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

F&N 1Q2020 profit after taxation grew 4 per cent to $58.3 million

- ***Revenue improved 9 per cent to $505.2 million on broad-based growth across all business segments***
- ***PBIT[1] increased 7 per cent to $76.3 million***
  - ***Soft Drinks profit doubled; greenfield brewery in Myanmar commenced operations***
  - ***Dairies earnings impacted by higher commodity and manufacturing costs***
- ***Profit after taxation grew 4 per cent to $58.3 million***

Financial Highlights ($ 'million)	Three months to 31 December 2019	Three months to 31 December 2018
Revenue	505.2	464.4
PBIT[1]	76.3	71.0
Profit After Taxation	58.3	55.9
Attributable Profit[2]	39.7	37.9
Earnings Per Share (basic)(cents)[2]	2.7	2.6
Net Asset Value Per Share	$2.01	$2.02 (30 Sep 2019)

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

SINGAPORE, 6 FEBRUARY 2020 – Fraser and Neave, Limited ("**F&N**" or the "**Group**") today announced financial results for the first fiscal quarter ended 31 December 2019 ("**1Q2020**"). The Group posted quarterly revenue of $505.2 million, an increase of 9 per cent over the corresponding period of previous year. Profit before interest and taxation ("**PBIT**") grew 7 per cent, to $76.3 million from $71.0 million. Profit after taxation increased 4 per cent to $58.3 million, from $55.9 million previously.

This quarter, higher soft drinks and dairy sales contributed to Food & Beverage ("**F&B**") division's strong top line of $432.5 million, representing a 10-per-cent growth from $393.6 million in the corresponding period of last year. Beverages, which comprises soft drinks and beer, 1Q2020 revenue grew 10 per cent, to $124.5 million from $113.2 million*. The strong Beverages performance was aided by the earlier sell-in for Chinese New Year, successful execution of festive campaigns, new product launches, as well as maiden contribution from Emerald Brewery Myanmar Limited ("**EBML**"), our new brewery in Myanmar. EBML started commercial operations on 1 October 2019. Similarly, Dairies 1Q2020 revenue grew 10 per cent, to $308.0 million from $280.4 million* in the corresponding period of last year, bolstered by strong canned milk export, successful launches of new products in Malaysia and Thailand.

Publishing and Printing division ("**P&P**") recorded revenue growth this quarter of 3 per cent over the corresponding period of last year, to $72.6 million. Its growth was due to contribution from Print Lab and Hallmark Distribution sales, which offset shortfall in revenue from education publishing, book distribution and print in China.

Group 1Q2020 PBIT increased 7 per cent to $76.3 million, up from $71.0 million in the corresponding period of last year, driven by strong Beverages and Dairies Thailand performances. Beverages earnings more than doubled in the first quarter, to $6.3 million from $2.8 million* in the corresponding period of last year. The strong growth was attributed to higher sales and lower marketing spend, despite higher logistics and operating costs associated with the operations of the greenfield brewery in Myanmar. Group 1Q2020 PBIT was partly weighed down by Dairies. Despite Thailand recording a 12-per-cent profit growth, higher commodity and manufacturing costs have impacted Dairies earnings in Malaysia and Singapore.

Consequently, Dairies 1Q2020 PBIT fell 3 per cent to $67.0 million, from $69.0 million* in the corresponding period of last year.

P&P 1Q2020 PBIT declined from $0.4 million in the corresponding period of last year to a loss of $0.3 million, due largely to lower education royalty income and textbook sales in Singapore, cushioned by improved print performance.

The Group is closely monitoring the potential effects of the novel coronavirus on our businesses, and will take all necessary measures to minimize its financial impact.

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For clarification and further enquiries, please contact:

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* Reclassification of segmental information have been made to the comparative period to conform with current period's presentation