FRASER AND NEAVE, LIMITED

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

FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

The Directors are pleased to make the following announcement of the unaudited results for the First Quarter ended 31 December 2015.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) GROUP PROFIT STATEMENT

	1st Quarter to 31/12/2015 $'000	1st Quarter to 31/12/2014 $'000 (Restated)*	Change %
Continuing operations			
Revenue	488,727	549,970	(11.1)
Cost of sales	(317,581)	(376,255)	(15.6)
Gross profit	171,146	173,715	(1.5)
Other income (net)	9,197	3,305	178.3
Operating expenses			
- Distribution	(40,369)	(45,158)	(10.6)
- Marketing	(57,505)	(61,588)	(6.6)
- Administration	(29,673)	(32,118)	(7.6)
	(127,547)	(138,864)	(8.1)
Trading profit	52,796	38,156	38.4
Share of joint venture company's loss	(57)	(83)	(31.3)
Share of associated companies' profits	1,061	1,134	(6.4)
Gross income from investments	128	128	-
Profit before interest and taxation ("PBIT")	**53,928**	**39,335**	37.1
Finance income	3,445	1,413	143.8
Finance cost	(1,065)	(1,548)	(31.2)
Net finance income/(cost)	2,380	(135)	NM
Profit before taxation and exceptional items	**56,308**	**39,200**	43.6
Exceptional items	344	(1,037)	NM
Profit before taxation	**56,652**	**38,163**	48.4
Taxation	(8,887)	(7,806)	13.8
Profit from continuing operations, net of tax	**47,765**	**30,357**	57.3
Discontinued operations			
Profit from discontinued operations, net of tax	**-**	**30,313**	NM
Profit after taxation	**47,765**	**60,670**	(21.3)
Attributable profit to:			
Shareholders of the Company			
- Before exceptional items			
Continuing operations	25,533	19,065	33.9
Discontinued operations	-	16,672	NM
	25,533	35,737	(28.6)
- Exceptional items from continuing operations	163	(577)	NM
	25,696	35,160	(26.9)
Non-controlling interests			
Continuing operations	22,069	11,869	85.9
Discontinued operations	-	13,641	NM
	22,069	25,510	(13.5)
	47,765	**60,670**	(21.3)

NM – Not meaningful
* Restated upon the sale of Myanmar Brewery Limited

1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO GROUP PROFIT STATEMENT

	1st Quarter to 31/12/2015 $'000	1st Quarter to 31/12/2014 $'000 (Restated)	Change %
Operating expenses			
Included in operating expenses are:			
Depreciation & amortisation	(16,945)	(20,902)	(18.9)
Write back of/(Allowance for) bad and doubtful debts	117	(517)	NM
Write back of/(Allowance for) inventory obsolescence	70	(1,325)	NM
Employee share-based expenses	(1,492)	(1,567)	(4.8)
Other income (net)			
Gain on disposal of fixed assets	24	60	(60.0)
Foreign exchange gain/(loss)	5,250	(244)	NM
Taxation			
(Under)/Over provision of prior year taxation	(47)	53	NM
Exceptional items			
Insurance claim relating to flood	314	-	NM
Impairment loss on fixed assets relating to flood	-	(1,037)	NM
Gain on redemption of other investment	30	-	NM
	344	(1,037)	NM
PBIT as a percentage of revenue	11.0%	7.2%	

NM - Not meaningful

1(a)(iii) ADDITIONAL INFORMATION

	Revenue		PBIT	
	1st Quarter to 31/12/2015 $'000	1st Quarter to 31/12/2014 $'000 (Restated)	1st Quarter to 31/12/2015 $'000	1st Quarter to 31/12/2014 $'000 (Restated)
Group revenue and profit analysis				
By Business Activity				
Beverages	132,134	162,370	10,852	13,333
Dairies	271,985	299,028	37,463	19,517
Printing & publishing	84,311	88,504	2,548	(651)
Others	297	68	3,065	7,136
	488,727	549,970	53,928	39,335
By Territory				
Singapore	117,602	122,280	(1,327)	10,439
Malaysia	211,733	266,156	34,094	22,968
Other ASEAN	138,230	139,166	21,430	7,311
North/South Asia	19,318	20,265	(276)	(1,163)
Outside Asia	1,844	2,103	7	(220)
	488,727	549,970	53,928	39,335

	Attributable profit to shareholders of the Company	
	1st Quarter to 31/12/2015 $'000	1st Quarter to 31/12/2014 $'000 (Restated)
By Business Activity		
Beverages	2,841	7,072
Dairies	18,780	8,422
Printing & publishing	1,896	(1,819)
Others	2,016	5,390
Continuing operations	25,533	19,065
Discontinued operations*	-	16,672
Exceptional items from continuing operations	163	(577)
	25,696	35,160

* Refers to the sale of Myanmar Brewery Limited.

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	1st Quarter to 31/12/2015 $'000	**1st Quarter to 31/12/2014 $'000 (Restated)**
Profit after taxation	47,765	60,670
Other comprehensive income:		
Items that may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated companies	(324)	449
Realisation of fair value gains on disposal of available-for-sale financial asset	(152)	-
Realisation of reserve on settlement of a net investment	(10,909)	-
Realisation of reserves on liquidation of subsidiary and joint venture companies	-	(709)
Net fair value changes on available-for-sale financial assets	227,146	(44,006)
Currency translation differences	8,103	(11,575)
	223,864	(55,841)
Total comprehensive income for the period	271,629	4,829
Total comprehensive income attributable to:		
Shareholders of the Company		
Continuing operations	251,409	(30,071)
Discontinued operations	-	15,518
	251,409	(14,553)
Non-controlling interests	20,220	19,382
	271,629	4,829

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEET

	Group		Company	
	As at 31/12/2015 $'000	As at 30/9/2015 $'000	As at 31/12/2015 $'000	As at 30/9/2015 $'000
SHARE CAPITAL AND RESERVES				
Share capital	849,301	849,301	849,301	849,301
Treasury shares	(2,655)	(5,759)	(2,655)	(5,759)
Reserves	1,674,643	1,424,507	815,195	786,756
	2,521,289	2,268,049	1,661,841	1,630,298
NON-CONTROLLING INTERESTS	308,332	288,028	-	-
	2,829,621	2,556,077	1,661,841	1,630,298
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	471,967	464,388	-	-
Investment properties	35,344	35,018	-	-
Properties held for development	18,220	17,848	-	-
Subsidiary companies	-	-	970,909	961,872
Joint venture company	45,055	43,736	-	-
Associated companies	42,491	41,860	18,100	18,100
Intangible assets	76,418	78,750	-	-
Brands	27,977	27,481	212	212
Other investments	1,065,962	844,780	144,829	120,129
Other receivables	875	1,580	-	-
Deferred tax assets	17,597	18,156	-	-
Bank fixed deposits	-	3,874	-	-
	1,801,906	1,577,471	1,134,050	1,100,313
CURRENT ASSETS				
Inventories	248,694	253,918	-	-
Trade receivables	303,064	278,792	-	-
Other receivables	59,156	53,670	1,095	1,387
Related parties	1,796	1,742	-	-
Subsidiary companies	-	-	1,886	5,647
Joint venture companies	885	756	-	-
Associated companies	3	3,403	-	-
Bank fixed deposits	639,029	446,462	351,737	276,978
Cash and bank balances	381,326	515,243	211,141	261,494
	1,633,953	1,553,986	565,859	545,506
Assets held for sale	11,347	11,412	-	-
	1,645,300	1,565,398	565,859	545,506
Deduct: CURRENT LIABILITIES				
Trade payables	195,021	201,113	-	-
Other payables	185,806	192,845	7,923	10,312
Related parties	15,395	14,523	-	-
Subsidiary companies	-	-	517	692
Associated companies	1,780	1,843	-	-
Borrowings	12,458	2,551	-	-
Provision for taxation	37,438	31,712	3,729	3,138
	447,898	444,587	12,169	14,142
Liabilities held for sale	2,189	1,802	-	-
	450,087	446,389	12,169	14,142
NET CURRENT ASSETS	1,195,213	1,119,009	553,690	531,364
Deduct: NON-CURRENT LIABILITIES				
Other payables	-	3,874	-	-
Related parties	1,265	1,265	1,265	1,265
Subsidiary companies	-	-	24,489	-
Borrowings	128,819	97,924	-	-
Provision for employee benefits	18,514	18,201	-	-
Deferred tax liabilities	18,900	19,139	145	114
	167,498	140,403	25,899	1,379
	2,829,621	2,556,077	1,661,841	1,630,298

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.-
The Group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

		As at 31/12/2015 $'000	As at 30/9/2015 $'000
Secured	:	606	760
Unsecured	:	11,852	1,791
		12,458	2,551

Amount repayable after one year

		As at 31/12/2015 $'000	As at 30/9/2015 $'000
Secured	:	22	25
Unsecured	:	128,797	97,899
		128,819	97,924

Details of any collateral

Secured borrowings are generally bank overdrafts and bank loans secured on the land and buildings, plant and machinery of the borrowing companies, pledge of shares held in a subsidiary and/or a first fixed and floating charge over the assets, and assignment of all rights, benefits and title in contracts of the respective borrowing companies.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP CASH FLOW STATEMENT

	1st Quarter to 31/12/2015 $'000	1st Quarter to 31/12/2014 $'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	56,308	39,200
Profit before taxation and exceptional items from discontinued operations	-	40,418
Profit before taxation and exceptional items	56,308	79,618
Adjustments for:		
Depreciation of fixed assets	11,504	17,169
Impairment/(Impairment reversal) of fixed assets	31	(211)
Fixed assets written off	53	174
Provision for employee benefits	372	406
Gain on disposal of fixed assets (net)	(24)	(60)
Amortisation of brands and intangible assets	5,441	6,281
Interest income	(3,445)	(1,510)
Interest expenses	1,065	1,548
Share of joint venture company's loss	57	83
Share of associated companies' profits	(1,061)	(1,134)
Investment income	(128)	(128)
Employee share-based expense	1,492	1,567
Fair value adjustment of financial instruments	(1,028)	1
Loss on disposal of financial instruments	2,126	251
Operating cash before working capital changes	72,763	104,055
Change in inventories	5,224	7,930
Change in receivables	(29,714)	(32,552)
Change in joint venture and associated companies' balances	2,726	(713)
Change in payables	(15,853)	(20,103)
Development expenditure on properties held for development	(7)	-
Currency realignment	(9,501)	385
Cash generated from operations	25,638	59,002
Interest income received	2,745	1,434
Interest expenses paid	(1,147)	(1,561)
Income taxes paid	(3,093)	(14,321)
Payment of employee benefits	(67)	(219)
Net cash from operating activities	**24,076**	**44,335**
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	1,225	882
Investment income	128	128
Proceeds from sale of fixed assets	112	261
Proceeds from redemption of other investment	6,069	-
Purchase of fixed assets	(16,805)	(16,081)
Payment for intangible assets	(2,758)	(3,289)
Net cash used in investing activities	**(12,029)**	**(18,099)**

1(c) GROUP CASH FLOW STATEMENT (cont'd)

	1st Quarter to 31/12/2015 $'000	1st Quarter to 31/12/2014 $'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	38,567	5,570
Purchase of shares by a subsidiary company	(209)	-
Proceeds from issue of shares by subsidiary companies to non-controlling interests	630	444
Net cash from financing activities	**38,988**	**6,014**
Net increase in cash and cash equivalents	51,035	32,250
Cash and cash equivalents at beginning of period	961,036	354,325
Effects of exchange rate changes on cash and cash equivalents	3,455	(5,381)
Cash and cash equivalents at end of period	**1,015,526**	**381,194**
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	1,020,355	381,703
Bank overdrafts	(876)	(509)
	1,019,479	381,194
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies	(3,953)	-
Cash and cash equivalents at end of period	**1,015,526**	**381,194**

1(d)(i) A statement (for the issuer and Group) showing either

(i) all changes in equity or

(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Group											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
1st Quarter ended 31 December 2015												
Balance at 1 October 2015	849,301	(5,759)	8,751	849,404	(141,090)	653,441	(273)	10,947	43,327	2,268,049	288,028	2,556,077
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	(82)	(74)	-	-	(168)	-	(324)	-	(324)
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	-	(152)	-	-	-	(152)	-	(152)
Realisation of reserve on settlement of a net investment	-	-	-	-	(6,058)	-	-	-	-	(6,058)	(4,851)	(10,909)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	227,146	-	-	-	227,146	-	227,146
Currency translation difference	-	-	-	-	5,101	-	-	-	-	5,101	3,002	8,103
Other comprehensive income for the period	-	-	-	(82)	(1,031)	226,994	-	(168)	-	225,713	(1,849)	223,864
Profit for the period	-	-	-	25,696	-	-	-	-	-	25,696	22,069	47,765
Total comprehensive income for the period	-	-	-	25,614	(1,031)	226,994	-	(168)	-	251,409	20,220	271,629
Contribution by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	1,271	-	1,271	223	1,494
Treasury shares reissued pursuant to share plans	-	3,104	814	-	-	-	-	(3,918)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(116)	-	-	-	-	-	(116)	(93)	(209)
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	630	630
Dividends												
Additional dividends due to vesting of shares awarded	-	-	-	(46)	-	-	-	-	46	-	-	-
Total contributions by and distributions to owners	-	3,104	814	(162)	-	-	-	(2,647)	46	1,155	760	1,915
Changes in ownership interests												
Change of interests in a subsidiary company	-	-	-	676	-	-	-	-	-	676	(676)	-
Total changes in ownership interests	-	-	-	676	-	-	-	-	-	676	(676)	-
Total transactions with owners in their capacity as owners	-	3,104	814	514	-	-	-	(2,647)	46	1,831	84	1,915
Balance at 31 December 2015	849,301	(2,655)	9,565	875,532	(142,121)	880,435	(273)	8,132	43,373	2,521,289	308,332	2,829,621

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

	Group											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
1st Quarter ended 31 December 2014												
Balance at 1 October 2014	844,585	(23)	8,785	290,828	(103,797)	510,386	(605)	11,322	43,347	1,604,828	396,113	2,000,941
Effects of adopting FRS 111	-	-	-	2	-	-	-	-	-	2	2	4
Balance at 1 October 2014, restated	844,585	(23)	8,785	290,830	(103,797)	510,386	(605)	11,322	43,347	1,604,830	396,115	2,000,945
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	(8)	457	-	-	-	-	449	-	449
Realisation of reserves on liquidation of subsidiary and joint venture companies	-	-	-	-	(709)	-	-	-	-	(709)	-	(709)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(44,006)	-	-	-	(44,006)	-	(44,006)
Currency translation difference	-	-	-	-	(5,447)	-	-	-	-	(5,447)	(6,128)	(11,575)
Other comprehensive income for the period	-	-	-	(8)	(5,699)	(44,006)	-	-	-	(49,713)	(6,128)	(55,841)
Profit for the period	-	-	-	35,160	-	-	-	-	-	35,160	25,510	60,670
Total comprehensive income for the period	-	-	-	35,152	(5,699)	(44,006)	-	-	-	(14,553)	19,382	4,829
Contribution by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	1,268	-	1,268	290	1,558
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	444	444
Total contributions by and distributions to owners	-	-	-	-	-	-	-	1,268	-	1,268	734	2,002
Changes in ownership interests												
Change of interests in a subsidiary company	-	-	-	180	-	-	-	-	-	180	(180)	-
Total changes in ownership interests	-	-	-	180	-	-	-	-	-	180	(180)	-
Total transactions with owners In their capacity as owners	-	-	-	180	-	-	-	1,268	-	1,448	554	2,002
Balance at 31 December 2014	844,585	(23)	8,785	326,162	(109,496)	466,380	(605)	12,590	43,347	1,591,725	416,051	2,007,776

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

	Company							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share-Based Payment Reserve	Dividend Reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
1st Quarter ended 31 December 2015								
Balance at 1 October 2015	849,301	(5,759)	(2,814)	735,604	3,936	6,703	43,327	1,630,298
Comprehensive income								
Net fair value changes on available-for-sale financial asset	-	-	-	-	30,860	-	-	30,860
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	(152)	-	-	(152)
Other comprehensive income for the period	-	-	-	-	30,708	-	-	30,708
Loss for the period	-	-	-	(157)	-	-	-	(157)
Total comprehensive income for the period	-	-	-	(157)	30,708	-	-	30,551
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	992	-	992
Treasury shares reissued pursuant to share plans	-	3,104	814	-	-	(3,918)	-	-
Additional dividends due to vesting of shares awarded	-	-	-	(46)	-	-	46	-
Total transactions with owners in their capacity as owners	-	3,104	814	(46)	-	(2,926)	46	992
Balance at 31 December 2015	849,301	(2,655)	(2,000)	735,401	34,644	3,777	43,373	1,661,841
1st Quarter ended 31 December 2014								
Balance at 1 October 2014	844,585	(23)	(2,814)	33,138	(15,394)	8,270	43,347	911,109
Comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	-	(6,057)	-	-	(6,057)
Other comprehensive income for the period	-	-	-	-	(6,057)	-	-	(6,057)
Loss for the period	-	-	-	(1,682)	-	-	-	(1,682)
Total comprehensive income for the period	-	-	-	(1,682)	(6,057)	-	-	(7,739)
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	904	-	904
Total transactions with owners in their capacity as owners	-	-	-	-	-	904	-	904
Balance at 31 December 2014	844,585	(23)	(2,814)	31,456	(21,451)	9,174	43,347	904,274

1(d)(ii) SHARE CAPITAL

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	
	1st Quarter to 31/12/2015	**4th Quarter to 30/9/2015**
Issued and fully paid ordinary shares:		
As at beginning and end of period	1,447,077,754	1,447,077,754

	As at 31/12/2015	**As at 31/12/2014**
The number of shares awarded conditionally under Share Plans as at the end of the period	2,094,221	4,708,714
The number of issued shares excluding treasury shares at the end of the period	1,445,773,703	1,444,906,286

The Company held 1,304,051 treasury shares as at 31 December 2015 (31 December 2014: 4,100).

1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company's total number of issued shares excluding treasury shares is 1,445,773,703 as at 31 December 2015 and 1,444,249,054 as at 30 September 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	Number of shares
	1st Quarter to 31/12/2015
As at beginning of period	2,828,700
Treasury shares reissued pursuant to share plans	(1,524,649)
As at end of period	1,304,051

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(a) based on the weighted average number of ordinary shares on issue and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	1st Quarter to 31/12/2015	**1st Quarter to 31/12/2014**
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before exceptional items	1.8	2.5
- after exceptional items	1.8	2.4
(b) On a fully diluted basis (cents)		
- before exceptional items	1.8	2.5
- after exceptional items	1.8	2.4
	$'000	**$'000**
Attributable profit	25,696	35,160
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	(100)	(43)
Adjusted attributable profit	25,596	35,117

Continuing Operations
Earnings per ordinary share from continuing operations:

(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before exceptional items	1.8	1.3
- after exceptional items	1.8	1.3
(b) On a fully diluted basis (cents)		
- before exceptional items	1.8	1.3
- after exceptional items	1.8	1.3
	$'000	**$'000**
Attributable profit	25,696	18,488
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	(100)	(43)
Adjusted attributable profit	25,596	18,445

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31/12/2015	**As at 30/9/2015**	**As at 31/12/2015**	**As at 30/9/2015**
Net asset value per ordinary share based on issued share capital	$1.74	$1.57	$1.15	$1.13

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF PERFORMANCE

The principal activities of the Group are:

(i) production and sale of beverages (includes soft drinks & beer) and dairy products; and
(ii) printing and publishing.

These activities are carried out through the Company's subsidiary, joint venture and associated companies to which the Company provides management and administrative services.

Profit Statement – 1st Quarter

Group revenue of $488.7 million for the quarter ended 31 December 2015 decreased 11% as compared to the corresponding period last year due to lower contributions from Soft Drinks Malaysia and Dairies Malaysia.

Group PBIT (profit before interest and taxation) of $53.9 million and attributable profit before exceptional items of $25.5 million were 37% and 34% respectively higher than the corresponding period last year due to higher contributions from Dairies and Printing and Publishing operations.

Beverages

Overall Beverages revenue and PBIT were 19% lower as compared to the same period last year.

Revenue decreased by 19% compared to the corresponding period last year despite an increase in volume. Volume was boosted by the introduction of limited editions launched for the festive period - *F&N Sparkling Drinks* Pineapple flavoured and *100Plus* festive gold cans. Despite the boost from volume, revenue was affected by the depreciation of the Malaysian Ringgit against the Singapore Dollar, competitive price pressures due to earlier commencement of Lunar New Year selling-in and the loss of Red Bull energy drink sales. Excluding sales of Red Bull in the previous year, revenue decreased 7%.

PBIT decreased by 19% mainly due to higher advertising and promotional expenses incurred to support expansion into new markets and to promote new products and higher operating costs incurred in new markets in Myanmar and Vietnam. This was partly offset by Soft Drinks Malaysia which reported an increase in PBIT as a result of improvements in raw and packaging material costs and timing of advertising and promotion spend.

Dairies

Dairies revenue was 9% lower than the corresponding period last year. Revenue in Dairies Malaysia and Dairies Singapore were affected by the depreciation of the Malaysian Ringgit against the Singapore Dollar and lower domestic and export sales. Sales were in turn impacted by lower production capacity as a result of a production line overhaul and tactical discounts given to narrow the price competition. Dairies Thailand recorded a slight growth in revenue in local currency which was negated by the depreciation of the Thailand Baht against the Singapore Dollar. The growth was backed by effective branding and consumer trade campaigns and increased distribution coverage.

Although revenue decreased, Dairies PBIT almost doubled to $37.5 million mainly contributed by Dairies Thailand and Dairies Malaysia. The increase was mainly due to lower trade discounts extended, favourable commodity costs, recovery of withholding tax and continuing manufacturing efficiencies which were partially offset by a weaker MYR/THB exchange rate.

Printing and Publishing

Printing and Publishing revenue at $84.3 million declined 5% from last year. Revenue gains in Publishing & Distribution were negated by Printing which was affected by lower print demand and negative translation impact from the depreciation of the Malaysian Ringgit. Distribution revenue increased due to higher partwork sales in Hong Kong and new distribution volume of magazines in Singapore. Export markets (non-United States of America) continue to do well for Publishing.

Profit before interest and taxation recovered from a loss of $0.7 million and achieved a profit of $2.5 million for the quarter ended 31 December 2015. This was mainly due to growth in revenue in the Distribution and Publishing businesses and from the benefit of a lower cost structure for Printing as a result of a restructuring exercise last year.

Tax

The low Group effective tax rate ("ETR") of 15.7% (31 December 2014: 20.5%) is reflective of the substantial increase in the tax exempt profits of overseas subsidiaries enjoying investment incentives. This was negated to some extent by non-deductible expenses and the non-recognition of deferred tax benefits on losses incurred.

Balance Sheet as at 31 December 2015

The Group

The increase in Reserves was mainly due to fair value gains of $227.1 million on the investment in Vinamilk in Vietnam and profits of $25.7 million retained for the period.

Non-current assets increased by $224.4 million or 14% from $1,577.5 million to $1,801.9 million as at 31 December 2015 mainly due to:
(i) fair value gains on the investment in Vinamilk; and
(ii) increase in fixed assets due to additions partly offset by depreciation charges.

Current assets increased by $79.9 million or 5% from $1,565.4 million to $1,645.3 million as at 31 December 2015 attributed mainly to:
(i) an increase in cash and cash equivalents due to proceeds from bank borrowings and cash generated from operations; and
(ii) an increase in trade receivables mainly due to stock up by retailers prior to the Lunar New Year and higher sales in Publishing and Distribution businesses.

Liabilities increased by $30.8 million or 5% from $586.8 million to $617.6 million as at 31 December 2015 mainly due to an increase in borrowings as a result of a Thai Baht term loan facility taken up.

Group Cash Flow Statement for Quarter Ended 31 December 2015

The cash inflows and outflows are detailed in the Group Cash Flow Statement.

Net cash inflow from operating activities of $24.1 million is lower as compared to $44.3 million for the corresponding period last year mainly due to lower cash generated from operations as last year's results included Myanmar Brewery Limited, which had since been disposed in August 2015. This was partly offset by lower tax payments in the current quarter.

Net cash outflow from investing activities of $12.0 million as compared to $18.1 million last year was mainly due to the off-setting effect of proceeds received this quarter as a result of redemption of Other Investments.

Net cash inflow from financing activities of $39.0 million was higher than $6.0 million last year mainly due to the proceeds from the term loan facility taken up in Thailand.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

According to the IMF, global growth is projected at 3.4% in 2016, lower than the previous projection of 3.8%. While Asean economies are expected to grow above global average at 4.8%, Singapore is forecast to grow marginally better at 2.2%. Growth may face significant downside risk due to ongoing adjustments of the global economy, namely China's economic rebalancing, lower commodity prices, prospect of progressive increase in US interest rates and sudden bout of global risk aversion.

Consumer sentiment in the Food & Beverage segment is expected to be affected by both the economic climate and labour market. Consumer confidence in Singapore appears subdued on increased concerns about Singapore's economy in the near term while consumer confidence in Malaysia and Thailand are being challenged by slower economic growth and higher unemployment.

The operating environment for the Printing & Publishing segment is likely to remain challenging in the coming months. Education Publishing will continue to invest to strengthen its overseas markets while continuing efforts are made to introduce innovative and exciting online content and retail service concepts. Post restructuring of Printing in 2015, the focus remains on expansion of its commercial and non-traditional print jobs to mitigate the decline in traditional print business.

The Singapore Dollar is expected to remain relatively stronger against the regional Asia Pacific currencies and this may negatively impact the financial performance of the Group as a high proportion of earnings are derived from outside Singapore. The current favourable commodity prices will help mitigate some of the losses from currencies translation.

With $700.0 million of cash available for business acquisitions and no net debt, the Group is well placed to actively pursue new business opportunities in 2016.

11. If no dividend has been declared (recommended), a statement to the effect.

No dividend has been declared for the current financial period.

12. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Particulars of interested person transactions ("**IPTs**") for the period 1 October 2015 to 31 December 2015.

Name of interested person	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000**
TCC Group of Companies[1]	820

[1] This refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

13. Confirmation By the Company Pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

14. CONFIRMATION BY THE BOARD OF DIRECTORS
Pursuant to Rule 705(5) of the SGX Listing Manual

We, Siripen Sitasuwan and Sithichai Chaikriangkrai, being two Directors of Fraser and Neave, Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results to be false or misleading in any material respect.

On behalf of the Board

Siripen Sitasuwan	Sithichai Chaikriangkrai
Director	Director

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary

3 February 2016