FY2017

F&N Half-Year Financial Highlights

FRASER AND NEAVE, LIMITED

08 May 2017



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1H2017 Performance Highlights

Performance in the half-year ended 31 March 2017 ("1H2017")

- Impacted by weaker regional economies, rising input costs, adverse translation effects from a weakened Ringgit and continued brand investment costs
- Revenue and EBIT dipped 3% and 16%, respectively
- Dairies supported 1H2017 earnings
  - Dairies 1H2017 PBIT jumped 21%, powered by double-digit earnings growth in Malaysia and Thailand

1H2017 Group Financial Highlights

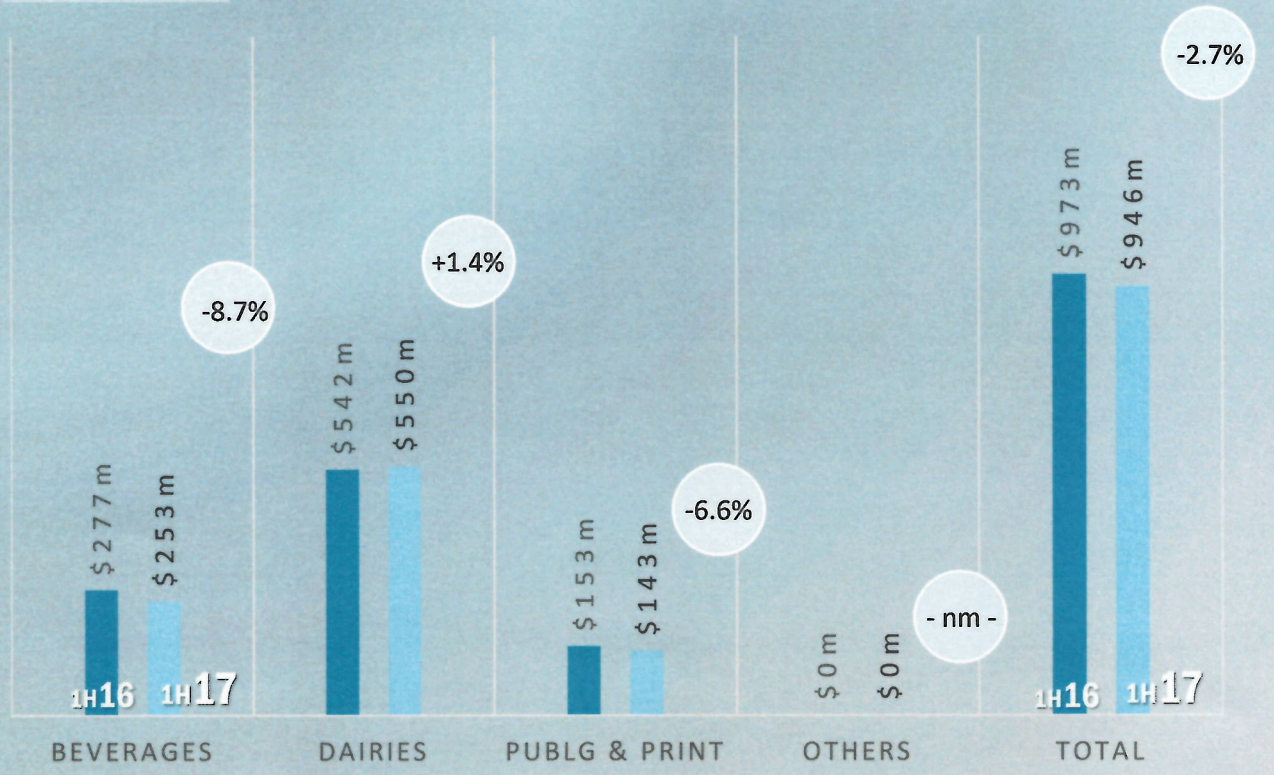
Revenue (million) $946.3 ▼ 2.7%	Earnings before interest and tax ("EBIT") (million) $68.6 ▼ 16.4%
Profit after tax (million) $63.9 ▼ 13.3%	Gearing[2] (%) 3.1 Net cash of $908.5m @ FY2016
Dividend per share (interim) (cents) 1.5 same as 1H2016	Earnings per share (basic)[1] (cents) 1.8 ▼ 30.8%

[1] Before exceptional items
[2] Net debt / Total equity

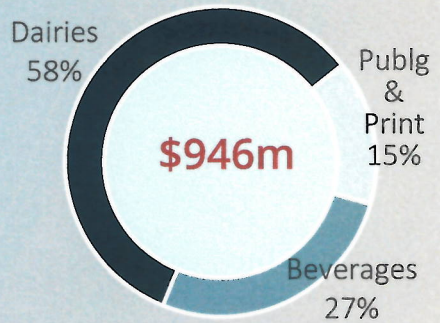
1H2017 Revenue down 2.7%

Impacted mainly by weaker Soft Drinks performance

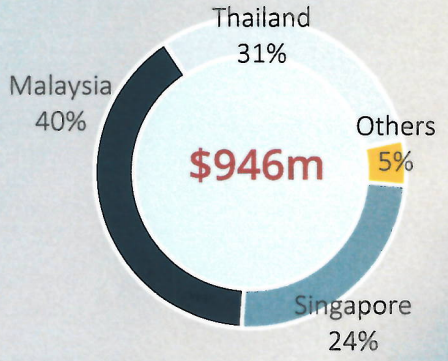
Revenue by Business Segment ($)



1H2017 Revenue by Business Segment (%)



1H2017 Revenue by Geography(%)



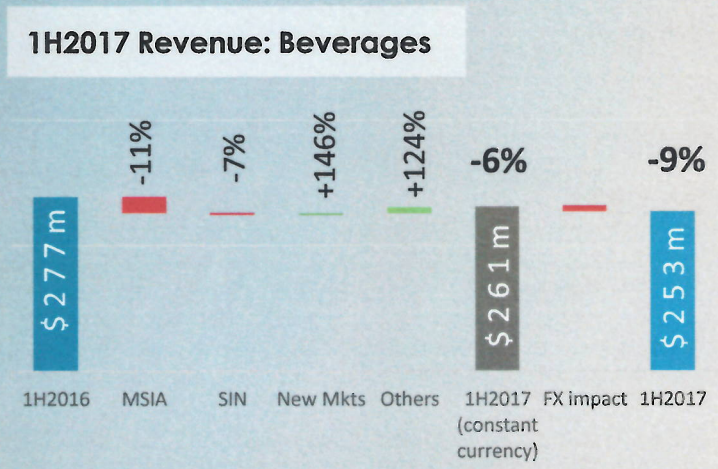
[1] Beverages comprises Soft Drinks and Beer
[2] Publg & Print denotes Publishing & Printing

1H2017 Revenue | Beverages

Despite contribution from new vending business, Beer and New Markets, revenue declined 9% on lower soft drinks sales, weaker Ringgit and intensifying price discounting in Malaysia

Beverages Malaysia (-15%; -11% in constant currency)

- Revenue impacted by weak consumer sentiment and weaker Ringgit
- Retained leadership positions in key categories



Beverages Singapore and New Markets[1]

- Beer revenue increased twofold due to higher *CHANG* beer sales, offset by weaker domestic soft drinks sales in Singapore and lower exports
- Contribution from the new vending business, as well as revenue growth in New Markets[1] due to distribution expansion and success of trade and consumer brand building activities

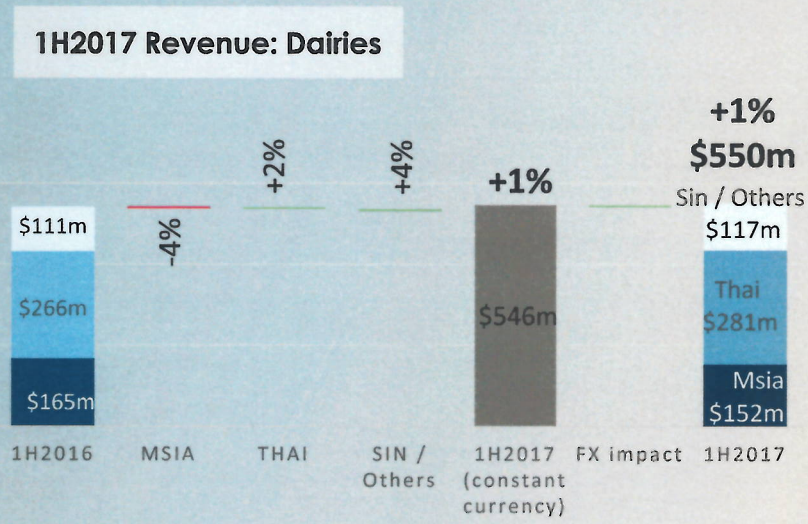
[1] New Markets include Indonesia, Myanmar and Vietnam

1H2017 Revenue | Dairies

Grew 1%; higher sales in Thailand, Singapore and New Markets of Myanmar and Indonesia offset by lower sales in Malaysia

Dairies Malaysia (-8%; -4% in constant currency)

- Double-digit growth in export sales helped to mitigate fall in domestic sales
- Domestic market impacted by subdued consumer confidence, a competitive pricing environment and weaker Ringgit
- Maintained market leadership positions for sweetened condensed milk and evaporated milk segments

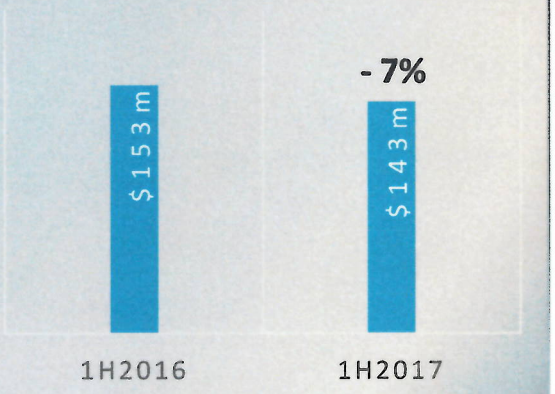


Dairies Thailand (+6%; +2% in constant currency)

- Revenue lifted by stronger Thai Baht
- Supported by strong demand for its core brands, increased distribution coverage, and effective consumer and trade campaigns
- Maintained leadership position in total canned milk category

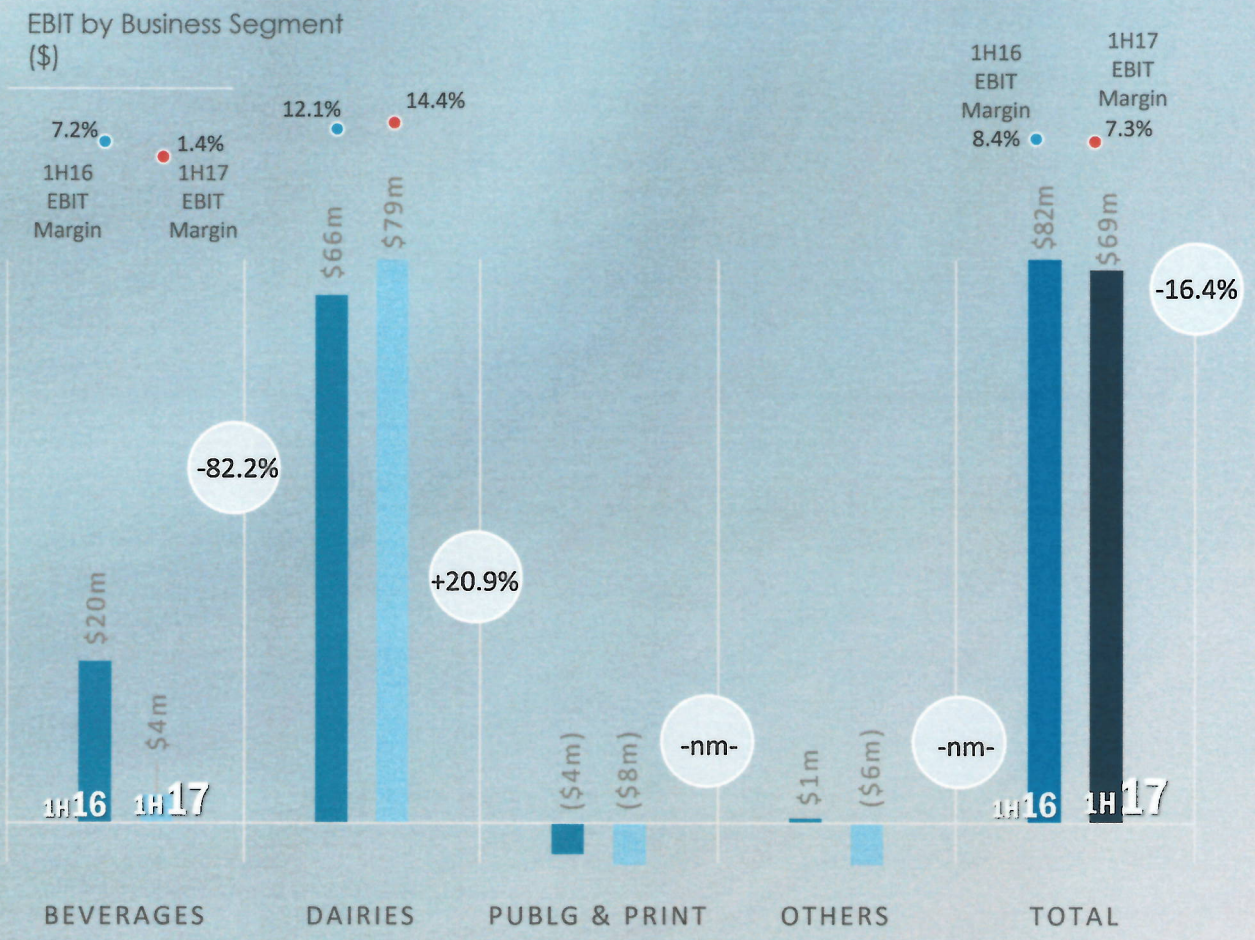
1H2017 Revenue | Publishing & Printing

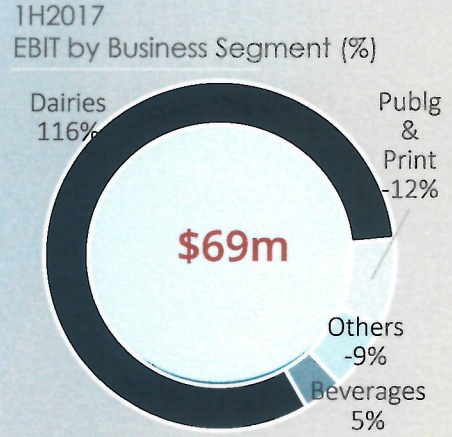
- Revenue impacted by
  - Reduction in print volumes from key magazine publishers
  - Gains in export sales in Education Publishing's key overseas markets could not offset revenue decline in Business Directory and General Reference Publishing

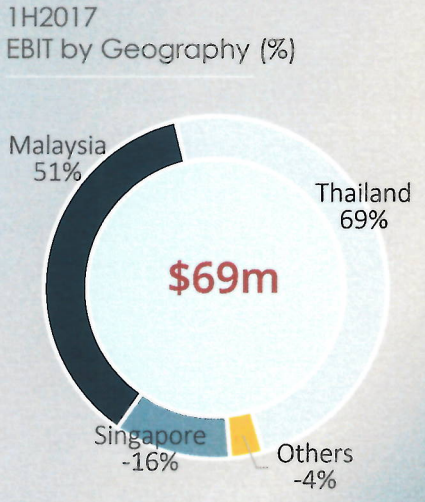


1H2017 EBIT slipped 16.4%

Earnings fell mainly on weak Soft Drinks sales and weaker Ringgit







[1] Beverages comprises Soft Drinks and Beer
[2] Publg & Print denotes Publishing & Printing

1H2017 EBIT | Beverages

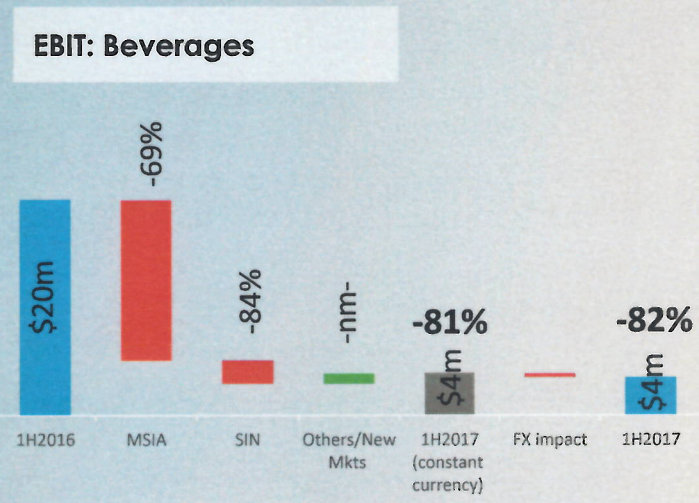
Earnings fell 82% mainly on lower soft drinks sales in Malaysia and investments in New Markets

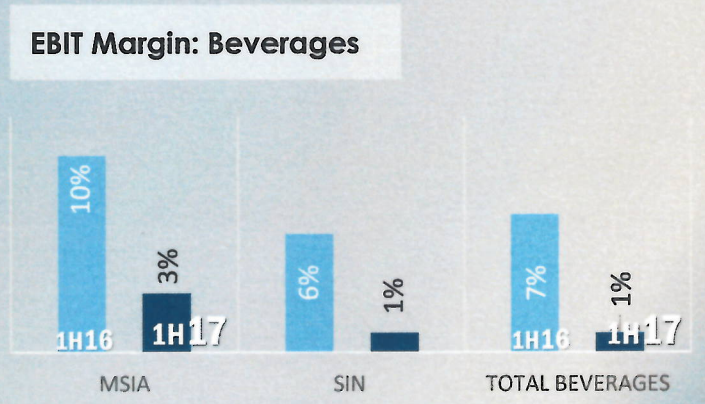
Beverages Malaysia (-70%; -69% in constant currency)

- EBIT impacted by lower revenue and higher input costs
- One-off professional fees incurred for the realignment of soft drinks and dairies operations further reduced earnings

Beverages Singapore and New Markets[1]

- Higher tactical discounts and marketing spend led to 84% decrease in Beverages Singapore EBIT
- Continued targeted spend on brand building activities, trade promotions and widening of distribution channels in New Markets of Indonesia, Myanmar and Vietnam
- Reduced losses in Others/New Markets boosted mainly by earnings from the newly acquired vending business





[1] New Markets include Indonesia, Myanmar and Vietnam

1H2017 EBIT | Dairies

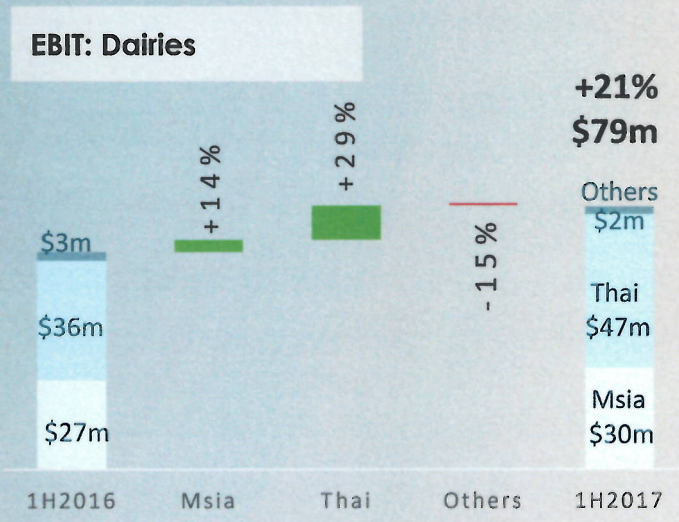
Earnings jumped 21% mainly on lower input costs

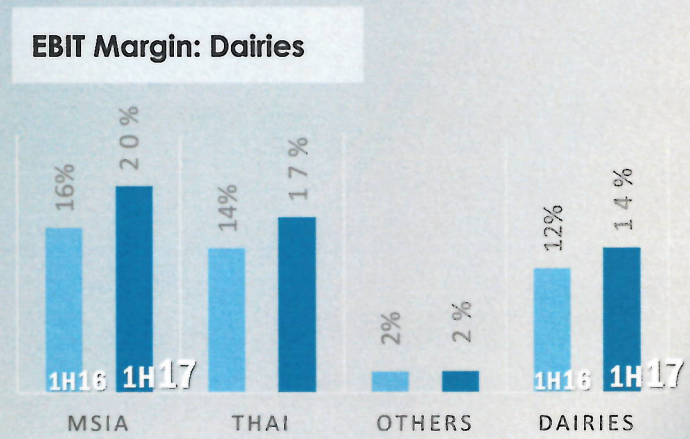
Dairies Malaysia (+14%; +19% in constant currency)

- EBIT increased 14% on lower input costs of milk and packaging, double-digit growth in exports sales and the release of provisions for marketing expenses no longer required
- EBIT margin improved to 20%, from 16%

Dairies Thailand (+29%; +24% in constant currency)

- Strong profit growth supported by significant savings from input costs of milk and packaging, and lower trade spending and marketing expenses
- EBIT margin improved to 17%, from 14%





1H2017 EBIT | Publishing & Printing

- Losses before interest and taxation increased to $8m, due to a decline in revenue, lower margins from a change in product mix in Education Publishing, investments made in its e-commerce project and higher inventory provision



Maintained a strong financial position

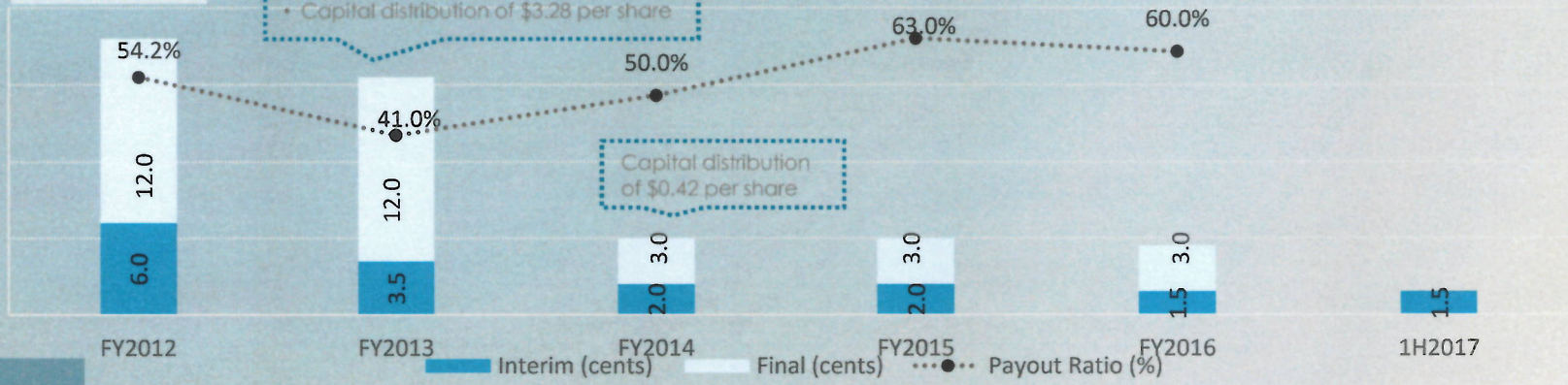
Focused on prudent balance sheet management

- Borrowings increased to finance the purchases of Vinamilk shares
  - The Group owns 18.74% of Vinamilk shares @ 8 May 2017
  - The Group adopts a prudent gearing policy of up to 80%
- Declared interim dividend of 1.5 cents per share, same as 1H2016
- Takes into account Group's capital position and near-term capital needs
- Dividend policy unchanged

Key Financials

	FY2016	1H2017
Total Equity[1]	$3,153m	$3,165m
Total Assets	$3,773m	$4,381m
Net (borrowings)/cash	$908m	($97m)

Dividends



[1] Includes non-controlling interest


KEY
DEVELOPMENTS:
Investing for
Growth
ORIGINAL
ISOTONIC DRINK
NƯỚC UỐNG VẬN ĐỘNG
HÀNG
TRÀN SỨC K
BẤT SẮC X

Deepening our participation in Vietnam

18.74%
INTEREST @ 8 May

@ 21 Dec 2016: 16.35%
▲
@ 30 Sep 2016: 10.95%

&

2
BOARD REPRESENTATIVES[1]

Vietnam Dairy Products Joint Stock Company
VINAMILK

The Group's 18.74% stake and 2 board representatives constitutes **significant influence** over Vinamilk, in accordance with Singapore Financial Reporting Standards

Going forward, the Group will **equity account** for its shareholding interest in Vinamilk (the Group, @ 1H2017, accounted for its interest in Vinamilk as Other Investments)

[1] The Group's second representative to the board of Vinamilk was approved by its shareholders at its annual general meeting held on 15 Apr 2017

Deepening our participation in Vietnam

18.74%
INTEREST @ 8 May

@ 21 Dec 2016: 16.35%
▲
@ 30 Sep 2016: 10.95%

&

2
BOARD REPRESENTATIVES[1]

Vietnam Dairy Products Joint Stock Company
VINAMILK

Other Investments	Investment in Associate (Equity Accounting)
Balance Sheet: • Carrying amount of investment at market value	**Balance Sheet:** • Carrying amount of investment at cost[2]
P&L: • Gross Income from Investments • FY16 dividend income of $48m	**P&L:** • Share of Associated Companies profit

[1] The Group's second representative to the board of Vinamilk was approved by its shareholders at its annual general meeting held on 15 Apr 2017
[2] Defined as fair value as at point of adoption of equity accounting

Deepening our participation in Vietnam

18.74%
INTEREST
@ 8 May 2017

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2
BOARD
REPRESENTATIVES[1]

Vietnam Dairy Products Joint Stock Company
VINAMILK

Top listed company by market value on Ho Chi Minh Stock Exchange

Vietnam's largest and leading dairy company involved in the production, supply and distribution of products including powdered, liquid and condensed milk and yoghurt, and beverages including soy milk, fruit juice and tea



[1] The Group's second representative to the board of Vinamilk was approved by its shareholders at its annual general meeting held on 15 Apr 2017

New Launches

Innovation: New Flavours



F&N FRUIT TREE FRESH

Singapore

2 flavours: Berries & Lime



100PLUS Active

Malaysia

Non-carbonated

New Launches

Portfolio expansion: Agency brands



RIBENA

Singapore
11 flavours



MAGNERS

Singapore
3 flavours: Pear, Original & Berry

Strengthening market positions in primary markets

RM
31.5
MILLION

NEW UHT LINE, Kuching

Adds capacity of 3.4 million cases per year

Localises production and enables the Group to understand customers' needs

Improves the plant's carbon footprint through environmentally-friendly packaging and reduced shipments

Operational in Mar 2017

INTEGRATION OF SOFT DRINKS AND DAIRIES OPERATIONS IN MALAYSIA

Extract synergies

Protect and strengthen market position

Achieve critical mass

Ongoing



8 May 2017

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