FRASER AND NEAVE, LIMITED
Company Registration No. 189800001R
Incorporated in the Republic of Singapore

#20-00 Alexandra Point
438 Alexandra Road
Singapore 119958

Tel : (65) 6318 9393
Fax : (65) 6271 0811
Website: www.fraserandneave.com

Fraser and Neave reports nine months' results for FY2017

- ***Attributable profit rose 16 per cent to $87.0 million***
  - ***Including the realisation of Vinamilk's fair value reserves, attributable profit jumped to $1,289.0 million***
- ***PBIT[1] gained 4 per cent to $146.8 million, arising from:***
  - ***Maiden recognition of profit from its associated company, Vinamilk***
  - ***Higher dividend income on higher equity interests in Vinamilk***

Financial Highlights (S$ 'million)	3 months to 30 June 2017	3 months to 30 June 2016	9 months to 30 June 2017	9 months to 30 June 2016
Revenue	483.1	528.4	1,429.4	1,501.2
PBIT[1]	78.2	58.7	146.8	140.8
PAT[2]	1,268.0	53.4	1,331.9	127.2
Attributable Profit - Before Exceptional Items - Exceptional items	1,258.4 60.7 1,197.7	38.6 38.0 0.6	1,289.0 87.0 1,202.0	76.3 75.1 1.2
Earnings Per Share (basic)(cents)[3]	4.2	2.6	6.0	5.2
Net Asset Value Per Share			$1.98	$1.97 (30 Sep 2016)

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

SINGAPORE, 08 AUGUST 2017 – Fraser and Neave, Limited ("**F&N**" or the "**Group**") today announced a 60 per cent rise in attributable profit before exceptional items, to $60.7 million for the third-quarter FY2017 ended 30 June 2017 ("**3Q2017**"). Including exceptional items of $1,197.7 million, which arose largely from the realisation of fair value reserves upon change of interests in Vietnam Dairy Products Joint Stock Company ("**Vinamilk**"), Group 3Q2017 attributable profit soared to $1,258.4 million, from $38.6 million in the same corresponding period

last year ("**3Q2016**"). Buoyed by higher dividend income (owing to the Group's higher interests in Vinamilk) and higher Dairies earnings following the maiden recognition of profit from its associated company, Vinamilk, Group 3Q2017 profit before interest and taxation ("**PBIT**") rose 33 per cent, to $78.2 million, up from $58.7 million in 3Q2016. Effective 16 April 2017, the Group accounts for its share of Vinamilk's profit under the equity accounting method, on account of the Group's current shareholding in Vinamilk and its appointment of a second representative to the board of Vinamilk.

This quarter, aided by the 2.5-months of profit and higher dividend income from Vinamilk, Food & Beverage ("**F&B**") turned in a strong performance with earnings growing at 44 per cent, to $85.2 million. The strong contribution from Vinamilk lifted Dairies 3Q2017 PBIT by 66 per cent, to $83.1 million from $50.0 million, despite weaker performances from Dairies Malaysia and Dairies Thailand mainly due to higher input costs, notwithstanding higher sales recorded in Dairies Thailand. Lower 3Q2017 earnings from Beverages, from $9.0 million to $2.1 million, impacted F&B earnings. Beverages 3Q2017 earnings were impacted by continuing weak consumer sentiments and increasing competitive environment in Malaysia, as well as brand investments in new markets.

For the nine months ended 30 June 2017 ("**9M2017**"), Group revenue declined 5 per cent to $1,429.4 million. Supported by higher dividend income and equity accounting of F&N's 18.74 per cent interests in Vinamilk, Group 9M2017 PBIT improved 4 per cent, to $146.8 million. Better performance was achieved despite lower earnings from Beverages, Dairies Malaysia and Dairies Thailand mainly due to higher input costs and intensifying competition.

Corporate Developments

On 21 December 2016, the Group completed its acquisition of additional shares representing approximately 5.4 per cent interests in Vinamilk through a competitive bid process. Thereafter, through further purchases from the market, the Group continued to increase its stake in Vinamilk. Today, the Group's shareholding in Vinamilk has risen to 18.74 per cent.

By virtue of the Group's current shareholding in Vinamilk and its appointment of a second representative to the board of Vinamilk, the Group is deemed to have significant influence over Vinamilk for accounting purposes in accordance with the Singapore Financial Reporting Standards. Accordingly, effective 16 April 2017, the Group accounts for its share of Vinamilk's profit under the equity accounting method.

- END -

For clarification and further enquiries, please contact:

Mr Hui Choon Kit
Chief Financial Officer
DID: 6318 9272

Ms Jennifer Yu
Head, Investor Relations
DID: 6318 9231
Email: jenniferyu@fngroup.com.sg