FRASER AND NEAVE, LIMITED

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

FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

The Directors are pleased to make the following announcement of the unaudited results for the First Quarter ended 31 December 2014.

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 31/12/2014 $'000	1st Quarter to 31/12/2013 $'000	Change %
Continuing operations			
Revenue	654,980	596,967	9.7
Cost of sales	(427,715)	(390,454)	9.5
Gross profit	227,265	206,513	10.0
Other income/(expenses)(net)	2,275	(9,063)	NM
Operating expenses			
- Distribution	(50,551)	(46,312)	9.2
- Marketing	(65,324)	(58,853)	11.0
- Administration	(35,188)	(33,573)	4.8
	(151,063)	(138,738)	8.9
Trading profit	78,477	58,712	33.7
Share of joint venture company's losses	(83)	-	NM
Share of associated companies' profits	1,134	2,238	(49.3)
Gross income from investments	128	131	(2.3)
Profit before interest and taxation ("PBIT")	**79,656**	**61,081**	30.4
Finance income	978	15,864	(93.8)
Finance cost	(1,016)	(7,081)	(85.7)
Net finance (cost)/income	(38)	8,783	NM
Profit before taxation and exceptional items	**79,618**	**69,864**	14.0
Exceptional items	(1,037)	-	NM
Profit before taxation	**78,581**	**69,864**	12.5
Taxation	(17,911)	(13,421)	33.5
Profit from continuing operations, net of tax	**60,670**	**56,443**	7.5
Discontinued operations			
Profit from discontinued operations, net of tax	**-**	**138,121**	NM
Profit after taxation	**60,670**	**194,564**	(68.8)
Attributable profit to:			
Shareholders of the Company			
- Before exceptional items			
Continuing operations	35,737	36,028	(0.8)
Discontinued operations	-	119,018	NM
	35,737	155,046	(77.0)
- Exceptional items			
Continuing operations	(577)	-	NM
Discontinued operations	-	1,798	NM
	(577)	1,798	NM
	35,160	156,844	(77.6)
Non-controlling interests			
Continuing operations	25,510	20,415	25.0
Discontinued operations	-	17,305	NM
	25,510	37,720	(32.4)
	60,670	**194,564**	(68.8)

NM – Not meaningful

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

	1st Quarter to 31/12/2014 $'000	1st Quarter to 31/12/2013 $'000	Change %
Operating expenses			
Included in operating expenses are:			
Depreciation & amortisation	(23,450)	(22,816)	2.8
Provision for bad and doubtful debts	(505)	(721)	(30.0)
Allowance for inventory obsolescence	(1,325)	(574)	130.8
Employee share-based expenses	(1,567)	(591)	165.1
Other income/(expenses) (net)			
Gain on disposal of fixed assets	60	311	(80.7)
Foreign exchange loss	(586)	(10,410)	(94.4)
Taxation			
Over provision of prior year taxation	53	3,508	(98.5)
Exceptional items			
Impairment loss on fixed assets relating to flood	(1,037)	-	NM
PBIT as a percentage of revenue	12.2%	10.2%	

NM - Not meaningful

1(a)(iii) ADDITIONAL INFORMATION

	Revenue		PBIT	
	1st Quarter to 31/12/2014 $'000	1st Quarter to 31/12/2013 $'000	1st Quarter to 31/12/2014 $'000	1st Quarter to 31/12/2013 $'000
Group revenue and profit analysis				
By Business Activity				
Beverages	267,380	234,153	53,654	44,018
Dairies	299,028	271,046	19,517	16,296
Printing & publishing	88,504	91,291	(651)	1,739
Others	68	477	7,136	(972)
Continuing operations	654,980	596,967	79,656	61,081
Discontinued operations*	-	631,044	-	176,241
	654,980	1,228,011	79,656	237,322
By Territory				
Singapore	122,280	119,239	10,439	1,897
Malaysia	266,156	259,218	22,968	26,262
Other ASEAN	244,176	196,662	47,632	32,730
North/South Asia	20,265	20,382	(1,163)	607
Outside Asia	2,103	1,466	(220)	(415)
Continuing operations	654,980	596,967	79,656	61,081
Discontinued operations*	-	631,044	-	176,241
	654,980	1,228,011	79,656	237,322

	Attributable profit to shareholders of the Company	
	1st Quarter to 31/12/2014 $'000	1st Quarter to 31/12/2013 $'000
By Business Activity		
Beverages	23,744	18,288
Dairies	8,422	7,892
Printing & publishing	(1,819)	1,948
Others	5,390	7,900
Continuing operations	35,737	36,028
Discontinued operations*	-	119,018
Exceptional items		
Continuing operations	(577)	-
Discontinued operations	-	1,798
	(577)	1,798
	35,160	156,844

* Refers to the demerger of Frasers Centrepoint Limited.

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	1st Quarter to 31/12/2014 $'000	**1st Quarter to 31/12/2013 $'000**
Profit after taxation	60,670	194,564
Other comprehensive income:		
Items that may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated companies	449	(5,741)
Realisation of reserves on liquidation of subsidiary and joint venture companies	(709)	-
Net fair value changes on derivative financial instruments	-	706
Realisation of hedging loss from derivative financial instruments	-	5,707
Net fair value changes on available-for-sale financial assets	(44,006)	(23,654)
Currency translation differences	(11,575)	(30,992)
	(55,841)	(53,974)
Total comprehensive income for the period	4,829	140,590
Total comprehensive income attributable to:		
Shareholders of the Company		
Continuing operations	(14,553)	11,982
Discontinued operations	-	97,694
	(14,553)	109,676
Non-controlling interests	19,382	30,914
	4,829	140,590

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 31/12/2014 $'000	As at 30/9/2014 $'000 (Restated)*	As at 31/12/2014 $'000	As at 30/9/2014 $'000
SHARE CAPITAL AND RESERVES				
Share capital	844,585	844,585	844,585	844,585
Treasury shares	(23)	(23)	(23)	(23)
Reserves	747,163	760,268	59,712	66,547
	1,591,725	1,604,830	904,274	911,109
NON-CONTROLLING INTERESTS	416,051	396,115	-	-
	2,007,776	2,000,945	904,274	911,109
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	652,206	661,116	-	-
Investment properties	40,106	40,702	-	-
Properties held for development	20,659	21,276	-	-
Subsidiary companies	-	-	804,837	800,712
Joint venture companies	44,083	49,358	-	-
Associated companies	49,130	49,866	18,100	18,100
Intangible assets	89,877	93,039	-	-
Brands	30,147	31,033	212	212
Other investments	657,563	701,613	94,716	100,779
Other receivables	1,327	1,295	-	-
Deferred tax assets	25,088	25,872	-	-
Bank fixed deposits	4,536	4,672	-	-
	1,614,722	1,679,842	917,865	919,803
CURRENT ASSETS				
Inventories	266,315	274,245	-	-
Trade receivables	334,653	309,187	-	-
Other receivables	57,493	50,437	449	855
Related parties	4,940	5,163	2	1
Subsidiary companies	-	-	3,284	8,349
Joint venture companies	5,074	741	-	-
Associated companies	12	5	-	-
Short term investments	1	1	-	-
Bank fixed deposits	108,739	91,003	-	266
Cash and bank balances	272,964	264,178	3,303	3,898
	1,050,191	994,960	7,038	13,369
Deduct: CURRENT LIABILITIES				
Trade payables	198,856	198,261	-	-
Other payables	202,698	225,282	9,041	10,260
Related parties	4,671	2,888	-	-
Subsidiary companies	-	-	741	950
Associated companies	1,720	1,854	-	-
Borrowings	27,709	22,990	-	-
Provision for taxation	46,584	42,456	9,494	9,494
	482,238	493,731	19,276	20,704
NET CURRENT ASSETS/(LIABILITIES)	567,953	501,229	(12,238)	(7,335)
Deduct: NON-CURRENT LIABILITIES				
Other payables	15,282	15,114	-	-
Related parties	1,265	1,265	1,265	1,265
Borrowings	115,203	118,753	-	-
Provision for employee benefits	19,328	19,495	-	-
Deferred tax liabilities	23,821	25,499	88	94
	174,899	180,126	1,353	1,359
	2,007,776	2,000,945	904,274	911,109

*Restated upon adoption of FRS 111 as detailed in paragraph 5, page 13 of this report.

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 31/12/2014 $'000	As at 30/9/2014 $'000
Secured	:	1,454	1,817
Unsecured	:	26,255	21,173
		27,709	22,990

Amount repayable after one year

		As at 31/12/2014 $'000	As at 30/9/2014 $'000
Secured	:	1,803	1,963
Unsecured	:	113,400	116,790
		115,203	118,753

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 31/12/2014 $'000	1st Quarter to 31/12/2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	79,618	69,864
Profit before taxation and exceptional items from discontinued operations	-	166,197
Profit before taxation and exceptional items	79,618	236,061
Adjustments for:		
Depreciation of fixed assets	17,169	18,648
Impairment reversal of fixed assets and intangible assets (net)	(211)	(188)
Fixed assets written off	174	236
Provision for employee benefits	406	417
Gain on disposal of fixed assets (net)	(60)	(312)
Amortisation of brands and intangible assets	6,281	5,958
Interest income	(978)	(4,118)
Interest expenses	1,016	9,753
Share of joint venture company's losses	83	-
Share of associated companies' profits	(1,134)	(13,218)
Investment income	(128)	(256)
Profits on properties held for sale	-	(135,735)
Employee share-based expense	1,567	800
Fair value adjustment of financial instruments	1	(4,931)
Loss on disposal of financial instruments	251	2,516
Operating cash before working capital changes	104,055	115,631
Change in inventories	7,930	4,538
Change in receivables	(32,552)	(108,986)
Change in prepaid land costs	-	(300,205)
Change in joint venture and associated companies' balances	(713)	6,379
Change in payables	(20,103)	(67,887)
Progress payment received/receivable on properties held for sale	-	605,826
Development expenditure on properties held for sale	-	(208,421)
Currency realignment	385	(5,823)
Cash generated from operations	59,002	41,052
Interest income received	902	3,847
Interest expenses paid	(1,029)	(2,831)
Income taxes (paid)/refunded	(14,321)	1,658
Payment of employee benefits	(219)	(45)
Net cash from operating activities	**44,335**	**43,681**
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	882	15,098
Investment income	128	256
Proceeds from sale of fixed assets	261	547
Purchase of fixed assets and investment properties	(16,081)	(13,734)
Payment for intangible assets	(3,289)	(2,922)
Development expenditure on investment properties under construction	-	(705,772)
Investments in associated companies	-	(2,526)
Repayment of loan from associated companies	-	8,071
Net cash used in investing activities	**(18,099)**	**(700,982)**

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

	1st Quarter to 31/12/2014 $'000	1st Quarter to 31/12/2013 $'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	5,570	166,131
Proceeds from issue of shares by subsidiary companies to non-controlling interests	444	2,841
Payment of dividends by subsidiary companies to non-controlling interests	-	(2,659)
Net cash from financing activities	**6,014**	**166,313**
Net increase/(decrease) in cash and cash equivalents	32,250	(490,988)
Cash and cash equivalents at beginning of period	354,325	1,943,070
Effects of exchange rate changes on cash and cash equivalents	(5,381)	(4,498)
Reclassifed to assets held for distribution	-	(700,504)
Cash and cash equivalents at end of period	**381,194**	**747,080**
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	381,703	748,060
Bank overdrafts	(509)	(980)
Cash and cash equivalents at end of period	**381,194**	**747,080**

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 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)

	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 2013												
Balance at 1 October 2013	1,441,520	(23)	3,463	6,374,386	(98,421)	592,145	(5,521)	24,129	172,982	8,504,660	373,223	8,877,883
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	54	(5,535)	(25)	(235)	-	-	(5,741)	-	(5,741)
Net fair value changes on derivative financial instruments	-	-	-	-	-	-	630	-	-	630	76	706
Realisation of hedging loss from derivative financial instruments	-	-	-	-	-	-	5,707	-	-	5,707	-	5,707
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(23,654)	-	-	-	(23,654)	-	(23,654)
Currency translation difference	-	-	-	-	(24,110)	-	-	-	-	(24,110)	(6,882)	(30,992)
Other comprehensive income for the period	-	-	-	54	(29,645)	(23,679)	6,102	-	-	(47,168)	(6,806)	(53,974)
Profit for the period	-	-	-	156,844	-	-	-	-	-	156,844	37,720	194,564
Total comprehensive income for the period	-	-	-	156,898	(29,645)	(23,679)	6,102	-	-	109,676	30,914	140,590
Contribution by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	375	-	375	(8)	367
Issue of shares in the Company upon vesting of shares awarded	9,926	-	-	-	-	-	-	(9,926)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,841	2,841
Dividends:												
Distribution *in specie*	-	-	-	(6,218,780)	-	-	-	-	-	(6,218,780)	-	(6,218,780)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,659)	(2,659)
Additional dividends due to vesting of shares awarded	-	-	-	(406)	-	-	-	-	406	-	-	-
Total contributions by and distributions to owners	9,926	-	-	(6,219,186)	-	-	-	(9,551)	406	(6,218,405)	174	(6,218,231)
Changes in ownership interests												
Change of interests in a subsidiary company	-	-	-	1,126	-	-	-	-	-	1,126	(1,126)	-
Total changes in ownership interests	-	-	-	1,126	-	-	-	-	-	1,126	(1,126)	-
Total transactions with owners In their capacity as owners	9,926	-	-	(6,218,060)	-	-	-	(9,551)	406	(6,217,279)	(952)	(6,218,231)
Balance at 31 December 2013	1,451,446	(23)	3,463	313,224	(128,066)	568,466	581	14,578	173,388	2,397,057	403,185	2,800,242

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 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
1st Quarter ended 31 December 2013								
Balance at 1 October 2013	1,441,520	(23)	(2,814)	3,073,846	150	21,176	172,982	4,706,837
Comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	-	30	-	-	30
Other comprehensive income for the period	-	-	-	-	30	-	-	30
Loss for the period	-	-	-	(770)	-	-	-	(770)
Total comprehensive income for the period	-	-	-	(770)	30	-	-	(740)
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	386	-	386
Issue of shares in the Company upon vesting of shares awarded	9,926	-	-	-	-	(9,926)	-	-
Distribution *in specie*	-	-	-	(2,911,034)	-	-	-	(2,911,034)
Additional dividends due to vesting of shares awarded	-	-	-	(406)	-	-	406	-
Total transactions with owners in their capacity as owners	9,926	-	-	(2,911,440)	-	(9,540)	406	(2,910,648)
Balance at 31 December 2013	1,451,446	(23)	(2,814)	161,636	180	11,636	173,388	1,795,449

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 31/12/2014	**4th Quarter to 30/9/2014**
Issued and fully paid ordinary shares:		
As at beginning of period	1,444,910,386	1,444,910,386

	As at 31/12/2014	**As at 31/12/2013**
The number of shares awarded conditionally under Share Plans as at the end of the period	4,708,714	4,257,939
The number of issued shares excluding treasury shares at the end of the period	1,444,906,286	1,444,906,286

The Company held 4,100 treasury shares as at 31 December 2014 (31 December 2013: 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 1,444,906,286 as at 31 December 2014 and 30 September 2014.

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.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares by the Company during the three months ended 31 December 2014.

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.

Except as disclosed in paragraph 5 below, 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 2014.

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.

As disclosed in paragraph 4, the Group and Company have adopted the following new, revised and amendments to FRS which became effective from this financial year.

Revised FRS 27	Separate Financial Statements
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosures of Interests in Other Entities
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to FRS 110, FRS 111 and FRS 112	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 110, FRS 112 and FRS 27	Investment Entities
Amendments to FRS 19	Defined Benefit Plans: Employee Contributions
Improvements to FRSs 2014:	
Amendment to FRS 102	Share Based Payment
Amendment to FRS 103	Business Combinations
Amendment to FRS 108	Operating Segments
Amendment to FRS 16	Property, Plant and Equipment
Amendment to FRS 24	Related Party Disclosures
Amendment to FRS 38	Intangible Assets
Amendment to FRS 113	Fair Value Measurement
Amendment to FRS 40	Investment Property

Except for FRS 111, the adoption of the above standards had no material effect on the financial performance or position of the Group and the Company. Upon applying FRS 111 retrospectively, the comparatives have been restated. The effects on the Group's financial statements are as follows:

GROUP BALANCE SHEET

	As at 30/9/2014 $'000
Increase/(Decrease) in:	
Revenue Reserve	2
Non-controlling interests	2
Total equity	4
Non-current assets	
Fixed assets	(2)
Investment in joint venture companies	49,358
Deferred tax assets	(211)
	49,145
Current assets	
Properties held for sale	(48,199)
Other receivables	(43)
Joint venture companies	(24,929)
Cash and bank balances	(906)
	(74,077)
Current liabilities	
Related parties	(24,884)
Other payables	(52)
	(24,936)
Net current assets	(49,141)
	4

Due to the distribution *in specie* of Frasers Centrepoint Limited on 8 January 2014, a restated Group Balance Sheet at the start of the previous reporting period has not been presented as it would not be meaningful for analysis purposes.

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 31/12/2014	**1st Quarter to 31/12/2013**
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before exceptional items	2.5	10.7
- after exceptional items	2.4	10.9
(b) On a fully diluted basis (cents)		
- before exceptional items	2.5	10.7
- after exceptional items	2.4	10.8
	$'000	**$'000**
Attributable profit	35,160	156,844
Change in attributable net profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	(43)	(43)
Adjusted attributable profit	35,117	156,801

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	2.5	2.5
- after exceptional items	2.4	2.5
(b) On a fully diluted basis (cents)		
- before exceptional items	2.5	2.5
- after exceptional items	2.4	2.5
	$'000	**$'000**
Attributable profit	35,160	36,028
Change in attributable net profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	(43)	(43)
Adjusted attributable profit	35,117	35,985

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 31/12/2014	**As at 30/9/2014**	**As at 31/12/2014**	**As at 30/9/2014**
Net asset value per ordinary share based on issued share capital	$1.10	$1.11	$0.63	$0.63

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 stout) 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 increased 10% to $655 million for the quarter ended 31 December 2014 compared to the corresponding period last year. Beverages recorded higher revenue due to increased contribution from both Soft Drinks and Beer operations while Dairies recorded higher revenue contribution from its operations in Singapore, Malaysia and Thailand. Printing and Publishing revenue was marginally lower at $89 million.

Group PBIT (profit before interest and tax) of $80 million was 30% higher than last year, mainly due to higher contribution from Breweries and Dairies.

Group attributable profit before exceptional items and earnings per share were flat at $36 million and 2.5 cents respectively due to higher PBIT being offset by higher after tax losses for Printing and Publishing and lower net interest income.

Beverages

Overall Beverages revenue and PBIT was 14% and 22% higher compared to the same period last year.

Soft Drinks revenue increased by 4% as compared to the corresponding period last year. The increase is mainly contributed by the expansion of soft drinks operations in the Myanmar market and acquisition of Yoke Food Industries Group in August 2014. Malaysia's revenue was relatively flat due to unfavourable product mix and exchange rate movement and lost sales arising from the prolonged flood in the east coast of Peninsular Malaysia. PBIT decreased by 27% mainly due to unfavourable product mix, higher trade discounts extended as a result of intense competition and higher logistic and storage costs incurred resulting from the flood.

Breweries revenue and sales volume were 36% and 40% higher than last year. Sales volume growth was mainly driven by *Myanmar Beer* on the back of successful promotional activities while sales revenue increased on the back of volume increases offset partly by unfavourable exchange movement. Breweries' PBIT increased by 57% mainly due to higher sales volume, stable key input costs and lower energy cost. The increases were partly off-set by increased overheads resulting from expansion of its operations.

Dairies

Dairies revenue was 10% higher than the corresponding period last year.

Dairies Thailand recorded revenue increase of 19% on the back of double digit growth in volume in both domestic and export markets as a result of effective advertising and promotional activities. Dairies Malaysia's revenue increased 5% mainly due to stronger performance of *F&N* brands and effective promotion and better management of trade terms. Dairies Singapore recorded an increase of 13% in sales revenue due to improved sales in both domestic and export markets.

Dairies PBIT increased 20% mainly due to higher sales, favourable sales mix, effective management of trade terms and improved operating efficiencies.

Printing and Publishing

Printing and Publishing revenue at $89 million declined 3% from last year. The printing business was affected by loss of print titles and lower print volume from existing customers. Revenue from the distribution and retail business also decreased due to weaker book distribution and lower sales across most high street bookstores. The decline was mitigated by growth in the Education Publishing business.

Loss before interest and taxation was $1 million mainly due to losses incurred in the Printing business, a result of lower sales and higher operating costs. This was partially offset by PBIT gains recorded by the Publishing business arising from growth in revenue coupled with lower overheads. The fall in PBIT was also due to cessation of equity accounting for our investment in Fung Choi Media Group Limited.

Others

The improvement in PBIT was mainly due to the recognition of exchange losses in the corresponding period last year.

Tax

The Group effective tax rate ("ETR") of 22.8% (2014: 19.2%) is mainly due to the high taxes on the profits of subsidiaries operating in high tax countries and non-deductible expenses. The lower ETR last year was due to the write-back of a substantial amount of over provision, without which the ETR would have been 24.2%.

Balance Sheet as at 31 December 2014

The Group

The decrease in Reserves was mainly due to fair value losses on the investment in Vinamilk in Vietnam and exchange losses arising from the translation of foreign operations. This was partly offset by profits of $35 million retained for the period.

The decrease in Other Investments is mainly due to the fair value losses on the investment in Vinamilk. The increase in Trade Receivables is driven by the increase in sales, especially in the Beverages and Dairies segment, partially offset by improvements in collection of outstanding debts. The decrease in Other Payables is mainly due to payments made for accruals outstanding as at 30 September 2014.

Group Cash Flow Statement for Quarter Ended 31 December 2014

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

Net cash inflow from operating activities of $44 million is comparable to the cash flow for the corresponding period last year mainly due to higher cash generated from operations being offset by higher tax payments in the current quarter while last year benefitted from a net tax refund.

Net cash outflow from investing activities of $18 million as compared to $701 million for the corresponding period last year was mainly due to development expenditure on properties incurred last year before the distribution *in specie* of Frasers Centrepoint Limited (“FCL”). Current period’s outflow mainly relates to the purchase of fixed assets and payments for intangible assets.

Net cash inflow from financing activities of $6 million was lower than $166 million last year as the inflow last year mainly relates to the settlement of loans from FCL upon the demerger partly offset by settlement of the corresponding bank loans and borrowings.

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.

While global economic growth is expected to pick up modestly in 2015, the pace of recovery is likely to remain uneven across the economies. The Singapore economy is projected to grow at between 2% to 4% while key ASEAN economies like Malaysia, Indonesia and Vietnam are expected to remain resilient in 2015 and continue to grow faster than the global average rate.

Consumer sentiments in the Food & Beverage segment is expected to be affected by both the economic climate and government policies. The impending Goods and Services Tax in Malaysia, modest global economic growth and volatility of the global crude prices may temper consumer sentiments. Nevertheless, the Group will continue to monitor the situation closely to respond in a timely manner to changes in consumer sentiments so as to sustain the operating performance of the Group.

The operating environment for the Printing & Publishing segment continues to remain challenging in the coming months. Education Publishing will continue to invest to strengthen its overseas markets while Printing will remain focused on cost management initiatives to match demand and capacity and expansion of its commercial and non-traditional print jobs to mitigate the decline in traditional print business.

While the relatively stronger Singapore Dollar against the regional Asia Pacific currencies will alleviate some pressure on import costs, it will also impact the financial performance of the Group as a high proportion of earnings are derived from outside Singapore.

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 2014 to 31 December 2014.

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) $**
TCC Group of Companies[1]	2,596,804

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

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including the Director(s), if any, who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement and the Directors jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

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 Director	Sithichai Chaikriangkrai Director

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Group Company Secretary

12 February 2015