FY2015

F&N
First Quarter FINANCIAL HIGHLIGHTS

FRASER AND NEAVE, LIMITED

12 February 2015



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First Quarter FY2015 Performance Highlights
30% EBIT growth

Strong operating performance in the first quarter ended 31 December 2014 ("1Q2015" or "1Q15")

- Beer, Soft Drinks and Dairies posted solid volume growth
- Beer and Dairies saw double-digit earnings growth
- Soft Drinks earnings adversely affected by flooding in Malaysia

1Q2015 GROUP FINANCIAL HIGHLIGHTS

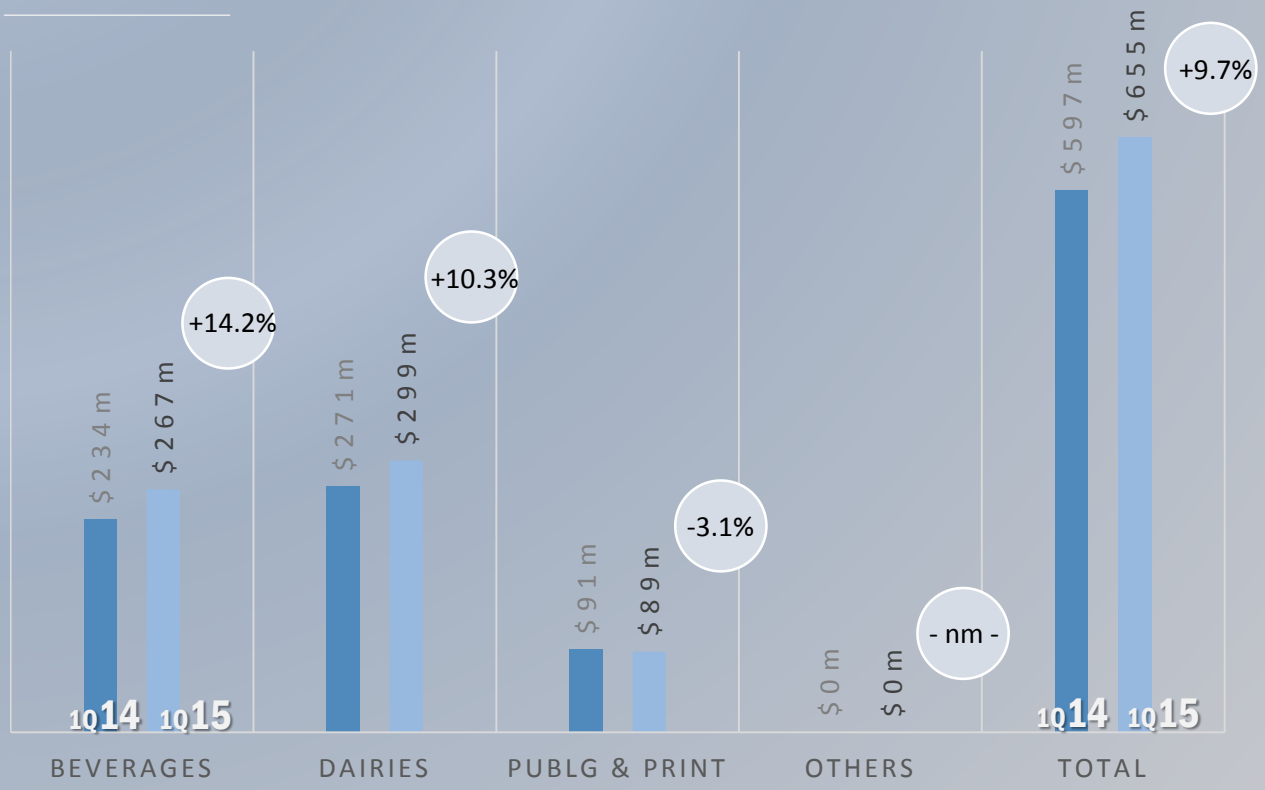
Revenue (millions) $655.0 ▲ 9.7%	Earnings before interest and tax ("EBIT") (millions) $79.7 ▲ 30.4%
Profit after tax ("PAT") [1] (millions) $60.7 ▲ 7.5%	EBIT margin (%) 12.16% ▲ 193bps
Gearing (millions) $243.3 (net cash) ▲ -nm-	Earnings per share (basic) [1,2] (cents) 2.5 -

[1] Continuing Operations only
[2] Before Exceptional Items

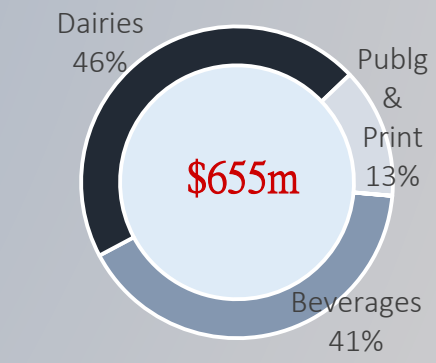
1Q2015 REVENUE GREW 9.7%

Supported by strong volume growth in F&B

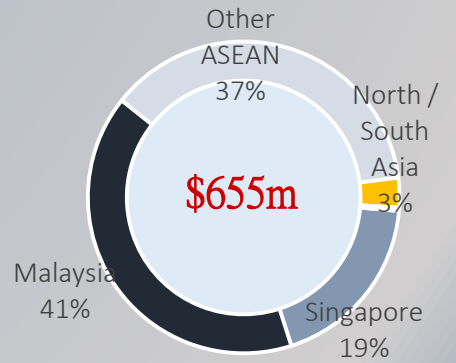
Revenue by Business Segment ($)



1Q2015 Revenue by Business Segment (%)



1Q2015 Revenue by Geography(%)



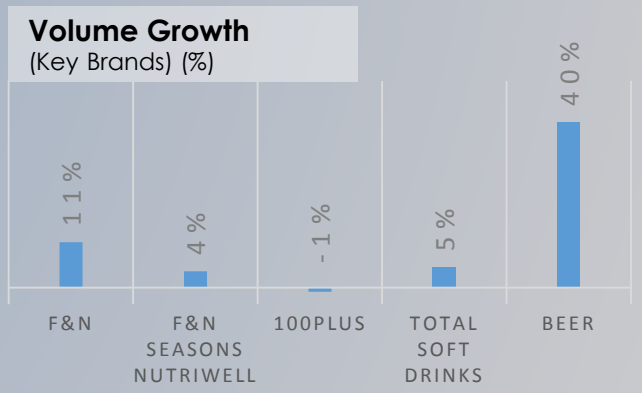
[1] Beverages comprises Soft Drinks and Beer
[2] Publg & Print denotes Publishing & Printing

Revenue | Beverages

Revenue growth supported by higher volumes despite increasing competition

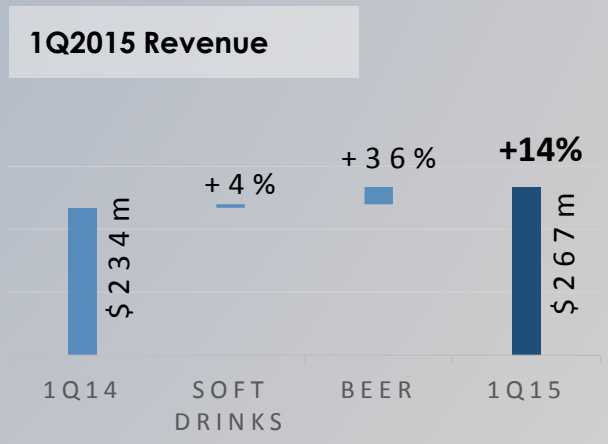
Beverages: Soft Drinks

- Volume grew 5% despite weakening consumer sentiment and flooding in Malaysia
- *F&N* and *F&N SEASONS NutriWell* powered sales
- Soft Drinks posted 4% revenue growth
  - Malaysia down1% (+1% in constant currency)
  - Singapore up 4%
- Leadership positions in Singapore and Malaysia retained



Beverages: Beer

- Volume grew 40% on effective marketing and route-to-market excellence
- Beer revenue improved 36% (+38% in constant currency)
- *MYANMAR BEER* continued to record strong growth

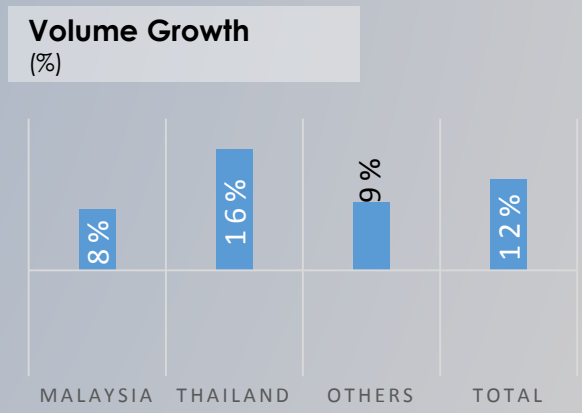


Revenue | Dairies

Revenue grew 10%; Malaysia and Thailand each recorded strong volume growth

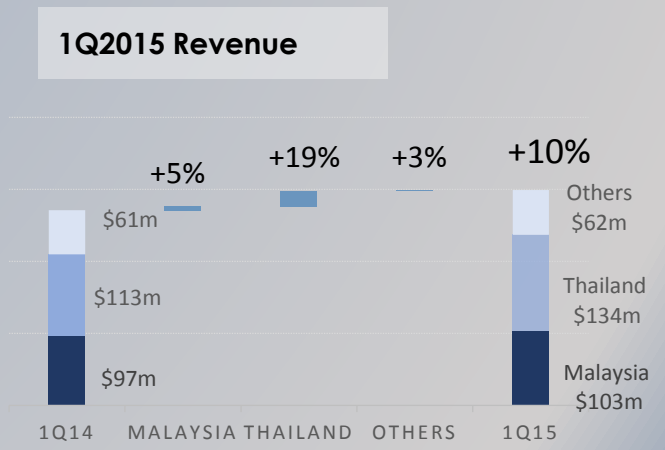
Dairies: Malaysia

- Volume increased 8%; domestic volume recorded 9% growth
- Robust domestic volume growth was supported by effective trade programs and strong marketing and sales execution
- Revenue growth driven mainly by higher *GOLD COIN* and *F&N* canned milk volumes



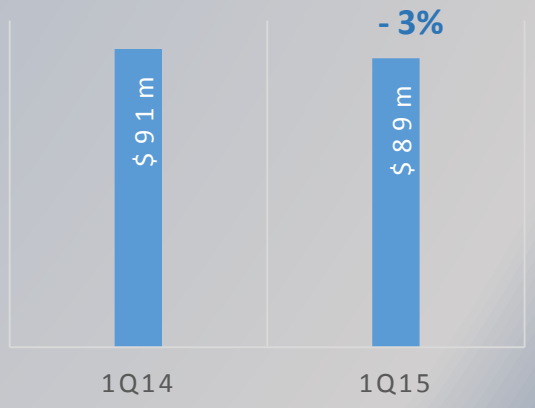
Dairies: Thailand

- Volume jumped 16%; domestic volume grew 13%
  - Indochina and Export recorded strong volume growth
- Revenue growth arising from effective trade activations and strong marketing and trade activation
- F&N brands performed well, with higher sales from *TEAPOT* canned milk and *F&N MAGNOLIA* pastuerised milk



Revenue | Publishing & Printing

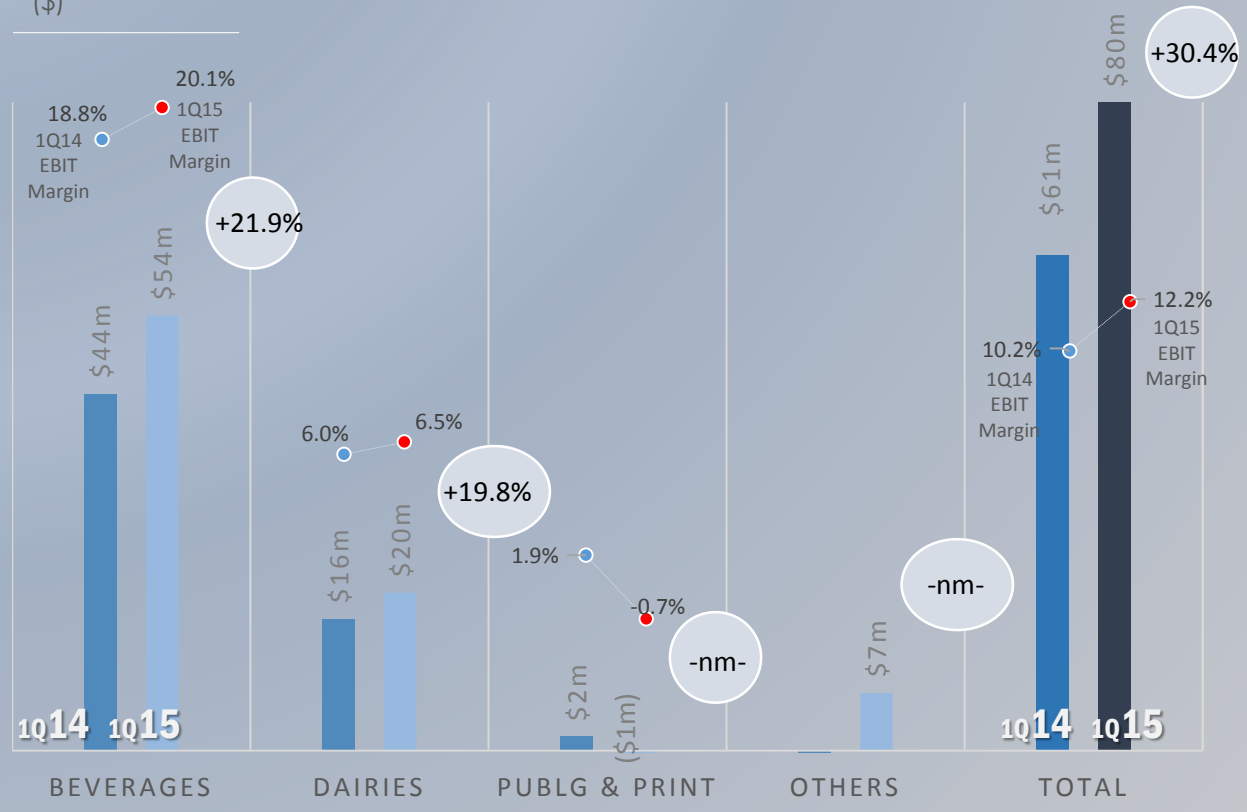
- Education Publishing continued to diversify and grow its customer base
  - Growth recorded in key markets of Singapore, Hong Kong and the US
- Lower print volume and book distribution adversely affected revenue



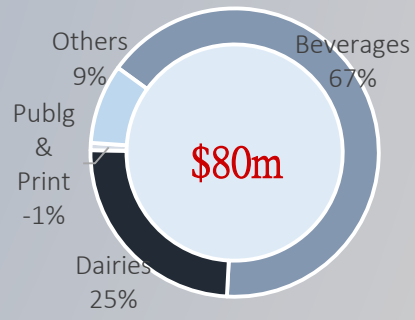
EBIT GREW 30.4%

Profit growth supported by higher sales and improved margins

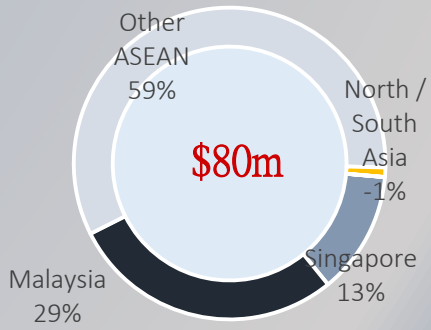
EBIT by Business Segment ($)



1Q2015 EBIT by Business Segment (%)



1Q2015 EBIT by Geography (%)



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EBIT | Beverages

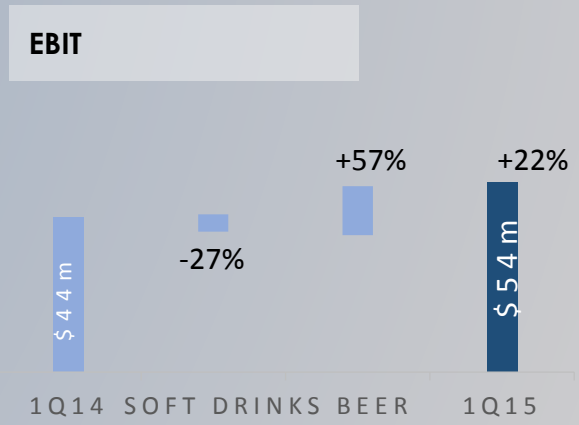
Earnings jumped 22% on higher Beer sales

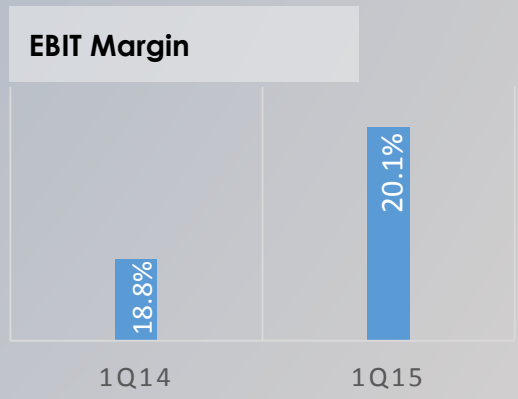
Beverages: Beer

- Earnings driven by higher sales and lower input costs
- Beer EBIT improved 57% despite higher marketing spend and distribution cost
- In constant currency, Beer EBIT surged 59%

Beverages: Soft Drinks

- EBIT adversely affected by weaker performance in Malaysia
- Malaysia EBIT dropped 31% due to unfavourable sales mix and higher logistic and storage cost as a result of severe floods (-30% in constant currency)
- Singapore EBIT grew 46% on improved sales, lower input costs and operational efficiencies
- Continue to invest strongly in *100PLUS* in Myanmar
  - Brand investment to boost *100PLUS* awareness





EBIT | Dairies

Earnings grew 20% on higher sales in Malaysia, Thailand and Singapore

Dairies: Malaysia

- EBIT growth of 28%
- Driven by higher sales, favourable sales mix, improved production yields and effective promotional and trade management activities
- EBIT margin improved to 9.9%, from 8.1%

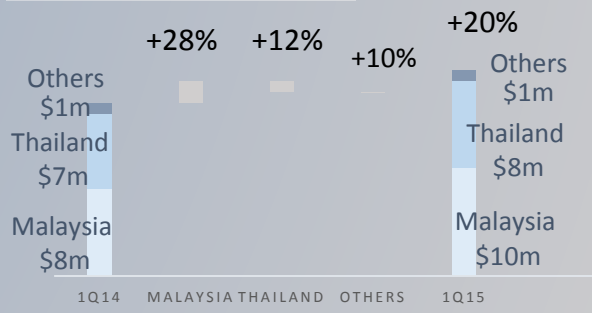
Dairies: Thailand

- EBIT grew 12% on higher sales
- Margins continued to be Impacted by pricing control by the Thai government
- EBIT margin dropped from 6.6% to 6.3%

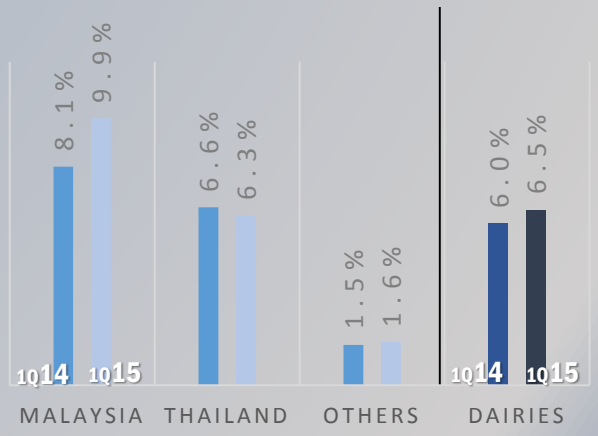
Dairies: Others

- EBIT improved 10% due to lower input costs

1Q2015 EBIT

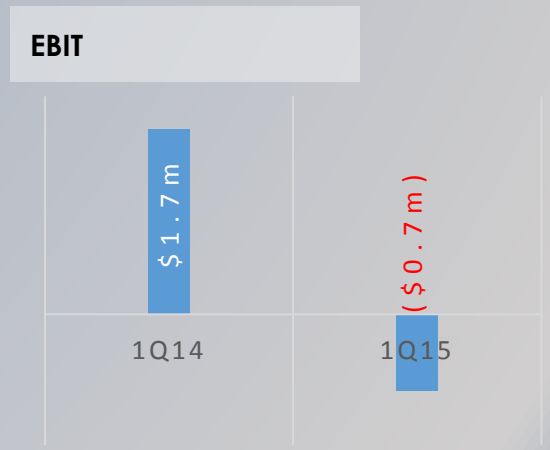


EBIT Margin



EBIT | Publishing & Printing

- Publishing earnings grew fourfold
- Lower earnings from printing and distribution, and the cessation of the use of equity accounting for Fung Choi Media Group adversely affected EBIT



Key developments

- Extended licenses for Nestle liquid milk brands
  - 22-year contract
  - Secured rights to manufacture and distribute *Carnation, Bear Brand, Bear Brand Gold, Ideal Milk* and *Milkmaid* in ASEAN



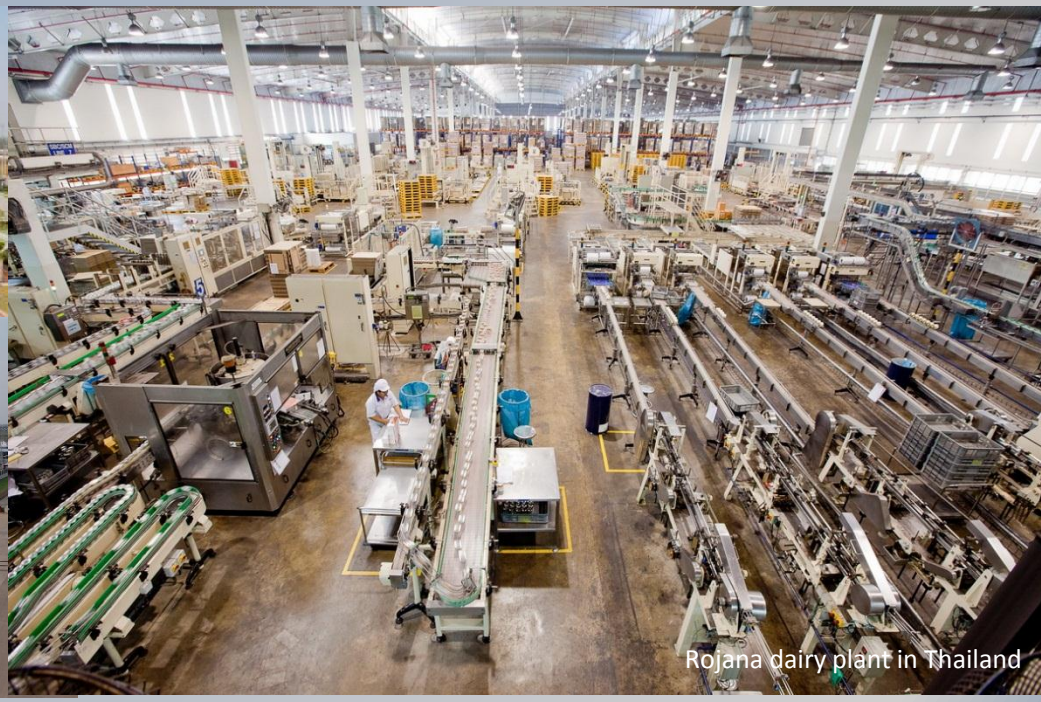
Range of F&N canned milk products

Key developments

- Dairy plant enhancement
  - Thailand: Adding a new filling and packaging line to seize growth opportunities







Rojana dairy plant in Thailand

Key developments

- New market: Thailand
  - Appointed Thai Drinks as the *100PLUS* licensee for Thailand. Thai Drinks is a wholly-owned subsidiary of Thai Beverage Plc Limited
  - Launched *100PLUS* in February 2015
  - Two power flavours – Citrus and Lemon Lime

- Innovation and renovation
  - *COCO Life,* 100% coconut water
  - *100PLUS* new packaging





COCO Life | *100PLUS* (250ml) Thailand | *100PLUS* new packaging

SUMMARY



SUMMARY

- Maintained leading positions in key markets
- Focus on
  - Building on our core businesses
  - Expanding within and beyond our existing markets
    - Allocating resources to ensure capacities and capabilities
  - Building on/identifying strategic partnerships and extracting synergistic opportunities
  - Continue to invest in our long-term strategy
- Reviewing our positions in Myanmar



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