FY2016

F&N HALF-YEAR FINANCIAL HIGHLIGHTS

FRASER AND NEAVE, LIMITED

10 May 2016



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1H2016 Performance Highlights

44%[1] Profit After Tax growth

Strong operating performance in the half-year ended 31 March 2016 ("1H2016")

- Impacted by adverse foreign exchange effect
- Food & Beverage EBIT up 38%; margin improved to 11%, from 7%
- Dairies growth momentum continued unabated; EBIT up 66%
- Marketing investments in new product and market launches

1 Continuing Operations

1H2016 Group Financial Highlights

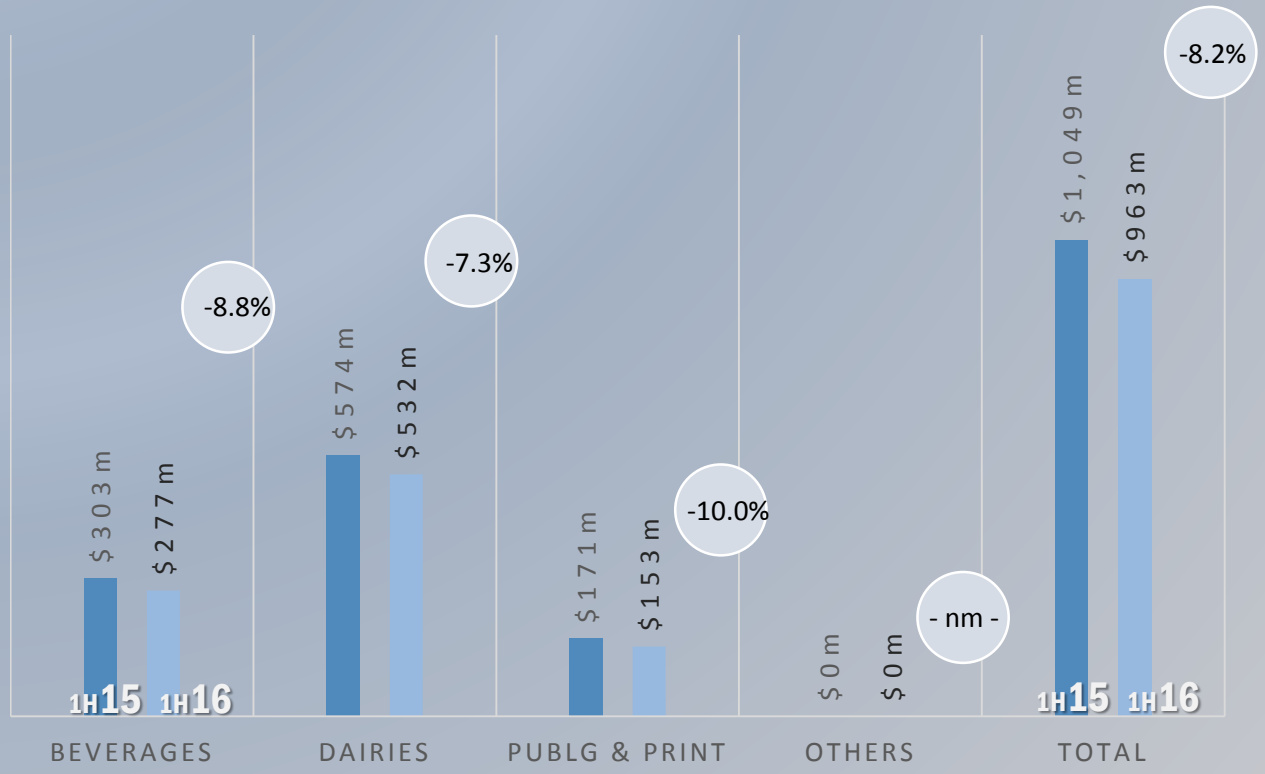
Revenue (millions) $962.8 ▼ 8.2%	Earnings before interest and tax ("EBIT") (millions) $82.1 ▲ 26.6%
Profit after tax[1] (millions) $73.7 ▲ 44.5%	Gearing (millions) $820.7 (net cash) ▼5.1%[3]
Dividend per share (interim) (cents) 1.5 ▼25.0%	Earnings per share (basic)[1,2] (cents) 2.6 ▲ 36.8%

[1] Continuing Operations
[2] Before Exceptional Items
[3] As at 30 September 2015

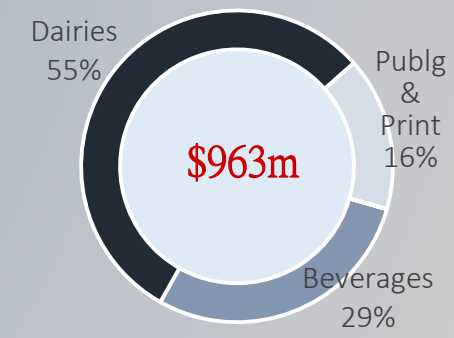
1H2016 Revenue Down 8.2%

due to negative translation effects and competitive pricing, despite volume growth

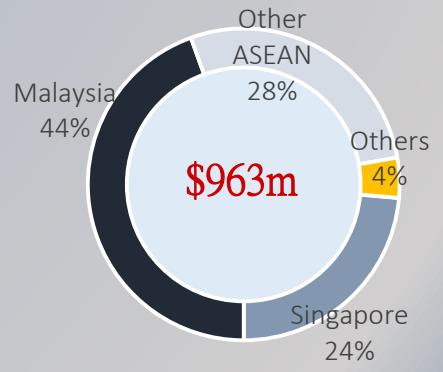
Revenue by Business Segment ($)



1H2016 Revenue by Business Segment (%)



1H2016 Revenue by Geography(%)



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

1H2016 Revenue | Beverages

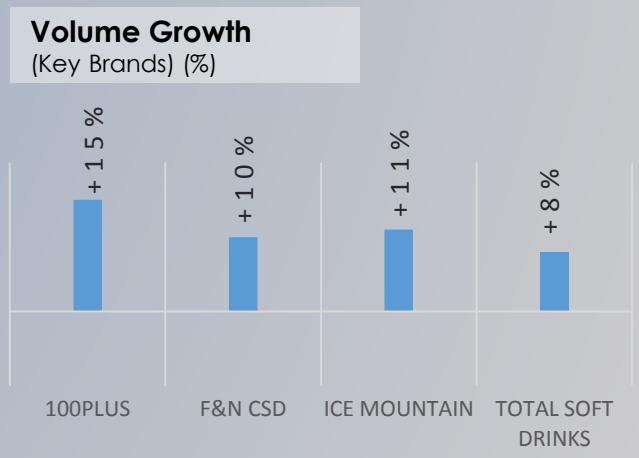
Revenue declined 9% on weaker Ringgit and competitive pricing in Malaysia

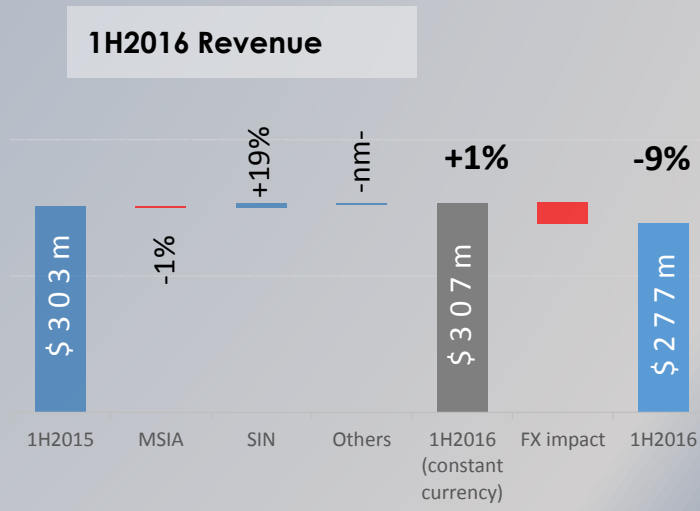
Beverages Malaysia (-13%; -1% in constant currency)

- Volume increased 10%, despite lost sales from *Red Bull,* due to effective execution of consumer and trade marketing programmes centred around the Lunar New Year period
- Revenue impacted by weaker Ringgit and end-consumer related competitive pricing pressures
- Retained leadership positions in key categories

Beverages Singapore and New Markets

- Revenue grew 19%, driven by new products *F&N Ice Mountain* Sparkling Water, *OISHI* and *COCO LIFE* in Singapore, and *100PLUS* and *OISHI* in Indonesia, Myanmar and Vietnam
- Revenue growth also supported by brand building activities and channel penetration



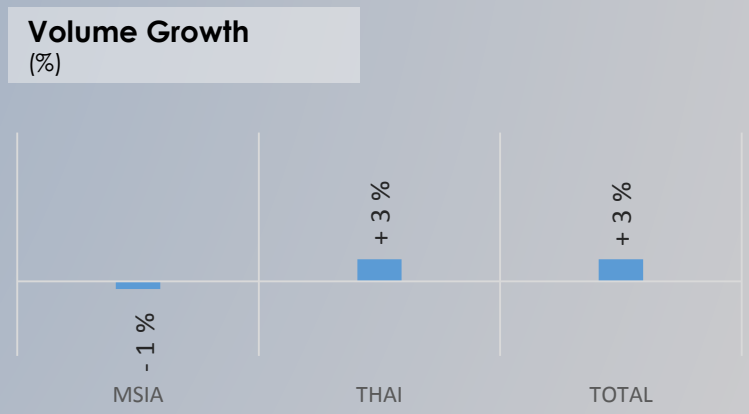


1H2016 Revenue | Dairies

Revenue fell 7%, impacted by negative translation effects and higher tactical discounts

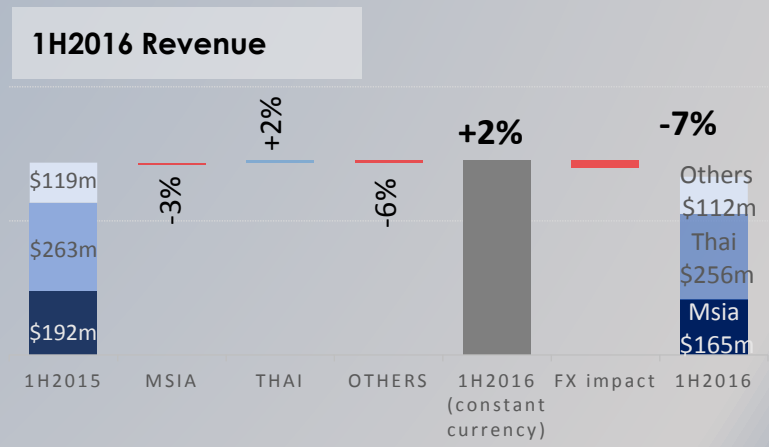
Dairies Malaysia (-14%; -3% in constant currency)

- Impacted by weaker Ringgit and higher trade discounts given (in view of lower input costs)
- Consolidated its market leadership positions for sweetened condensed milk and evaporated milk segments



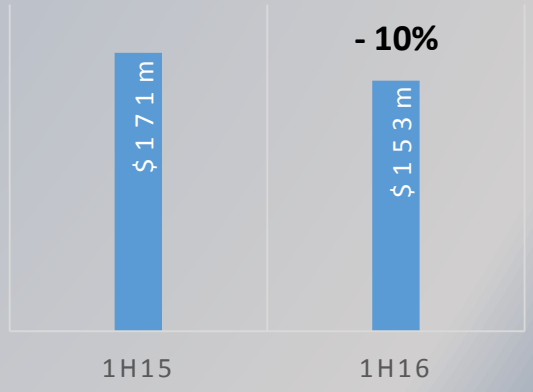
Dairies Thailand (-3%; +2% in constant currency)

- Despite lost sales from *Bear* and *Milo* UHT, revenue grew 2% in constant currency, on 3% volume growth
- Supported by strong demand for its brands, increased distribution coverage, and effective consumer and trade activities



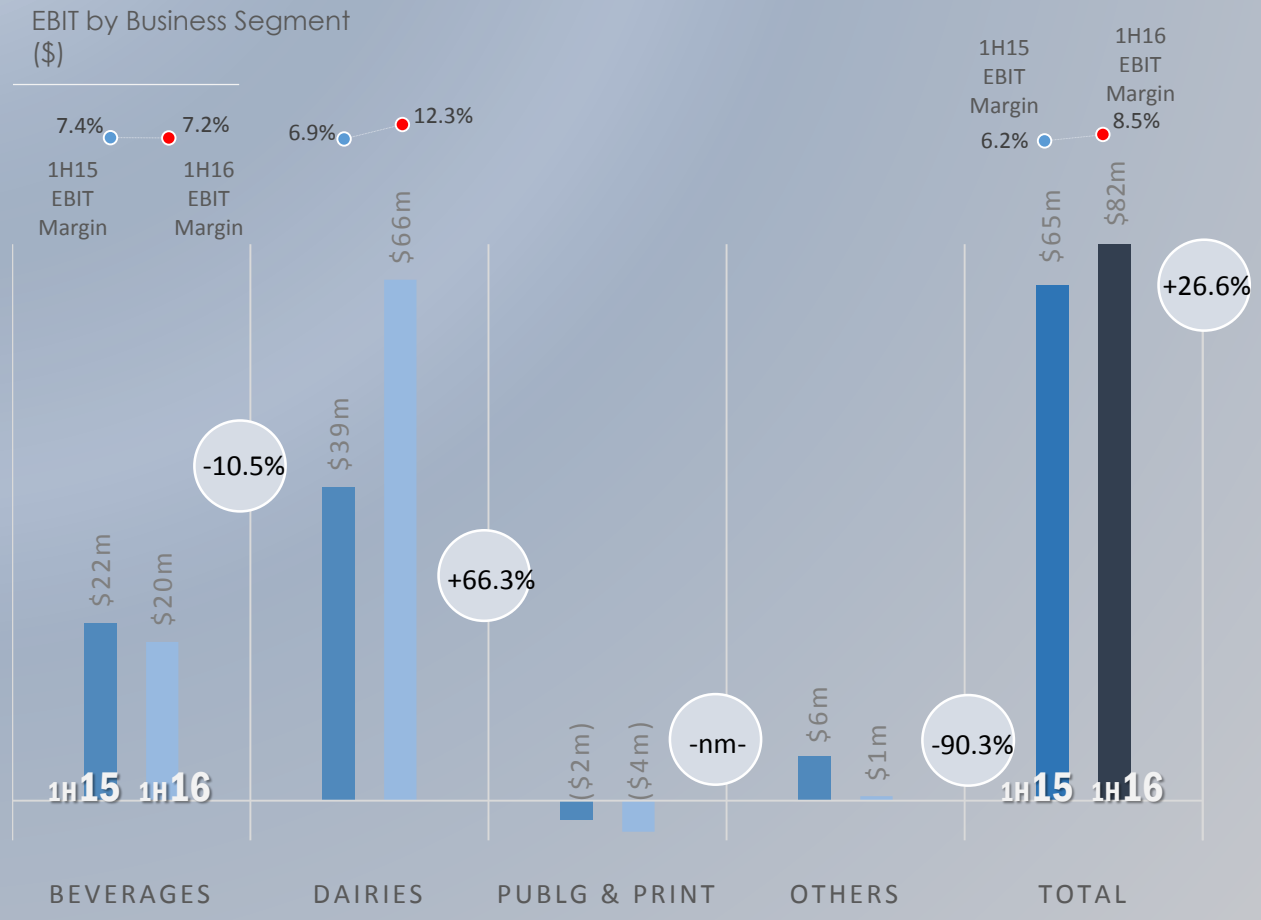
1H2016 Revenue | Publishing & Printing

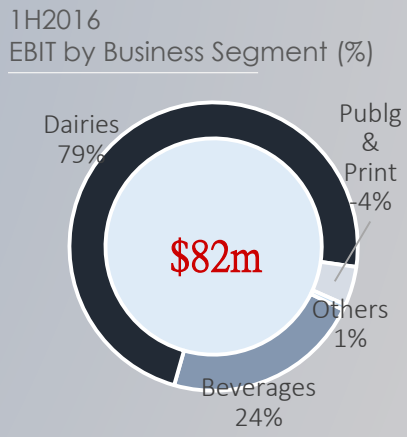
- Retail and Distribution divisions recorded revenue gains
  - Strong sales performance in airport retail and high street stores
  - Higher partwork sales in Hong Kong and Singapore
- Publishing and Printing divisions revenue fell
  - Slow-down in demand in Education Publishing's key markets of Latin America, USA and Singapore
  - Lower domestic and export print volumes

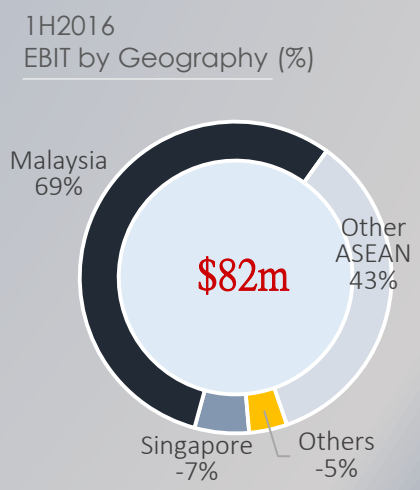


1H2016 EBIT Grew 26.6%

Profit growth supported by Dairies, despite negative translation impact







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

1H2016 EBIT | Beverages

EBIT margin maintained despite new market spending in Indonesia, Myanmar, Thailand and Vietnam, and weaker Ringgit

Beverages Malaysia (-1%; +13% in constant currency)

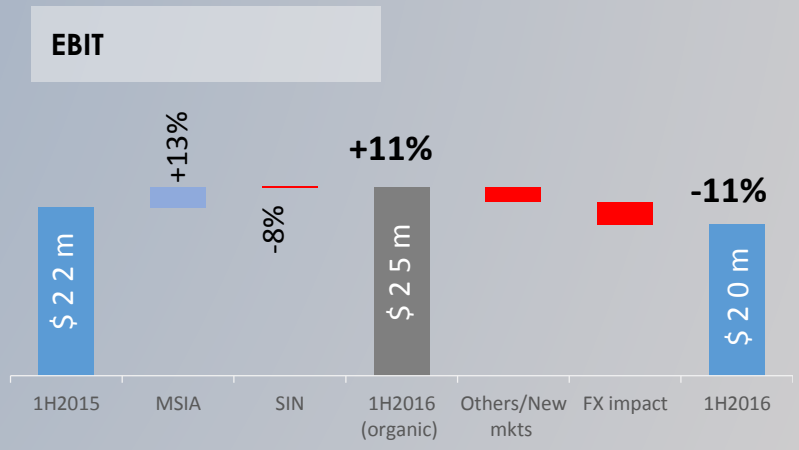
- EBIT jumped 13%, in constant currency, on favourable product mix and lower input cost
- Weaker Ringgit impacted earnings

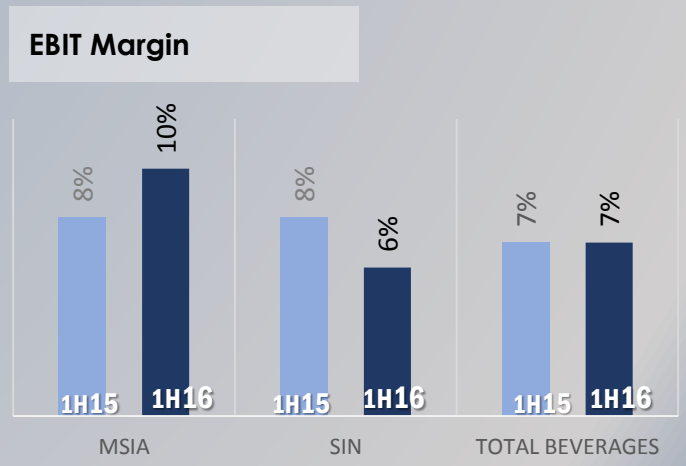
Beverages Singapore

- EBIT fell 8% due to higher marketing spend on new launches of *F&N ICE MOUNTAIN Sparkling Water*, *OISHI* and *COCO LIFE*

Others / New Markets

- New product launches, intensification of brand building campaigns and channel penetration in SEA
- Additional $2 million brand investment cost in new markets of Vietnam, Myanmar, Thailand and Indonesia





1H2016 EBIT | Dairies

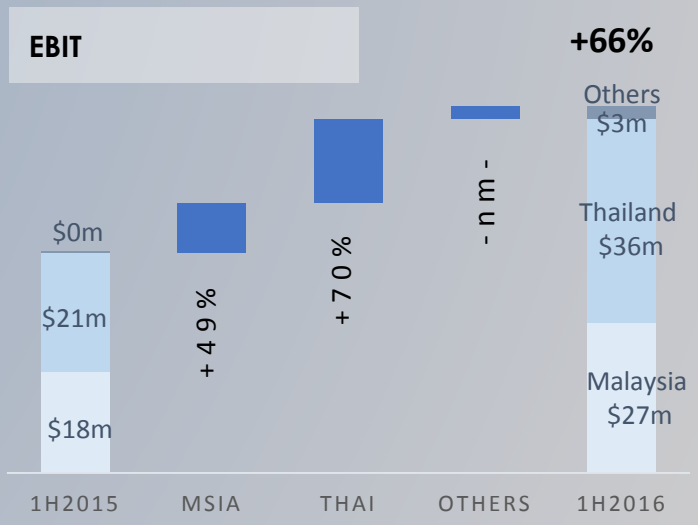
Earnings surged 66%; margin expansion on the back of higher contribution from Malaysia and Thailand

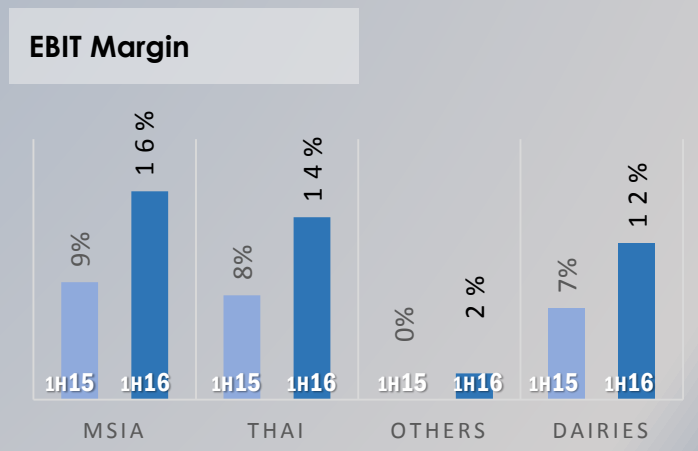
Dairies Malaysia (+49%; +69% in constant currency)

- Driven by lower input costs
- Weaker Ringgit affected extent of earnings growth
- EBIT margin improved to 16%, from 9%

Dairies Thailand (+70%; +78% in constant currency)

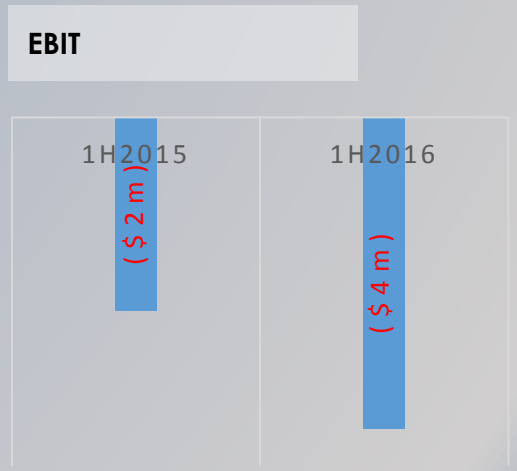
- Strong profit growth supported by significant savings from input costs, lower trade discounting, increased manufacturing utilisation and efficiency and one-off cost recovery
- EBIT margin improved to 14%, from 8%





1H2016 EBIT | Publishing & Printing

- Losses before interest and taxation increased to $3.9m, due to lower revenue, investments made in an e-commerce project and a cost rationalisation exercise in the Printing division

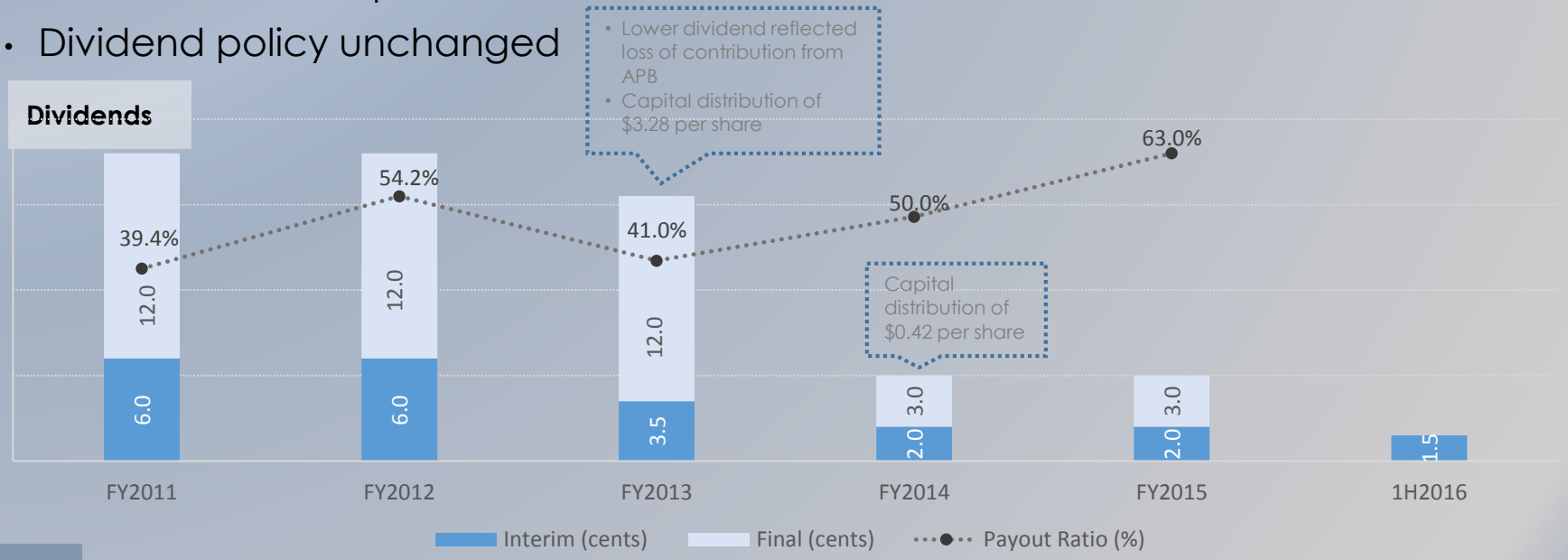


Maintained a strong financial position

Focused on prudent balance sheet management

- Declared interim dividend of 1.5 cents per share, down from 2.0 cents in 1H2015
- Reflects the Group's underlying operational results following sale of brewery in Myanmar
- Takes into account Group's capital position and near-term capital needs
- Dividend policy unchanged

Key Financial Ratios	1H2016	FY2015
Total Equity[1]	$2,822m	$2,556m
Total Assets	$3,421m	$3,143m
Net cash	$821m	$865m



Half-year ended 31 March 2016

[1] Includes non-controlling interest

KEY DEVELOPMENTS: Investing for Growth



Investing for our future

RM
180
MILLION

NEW ASEPTIC COLD-FILLING PET BOTTLE LINE

Offers new formulations and packaging formats
Reduces PET resin packaging material by 40%
Produces 6.5 million cases per year

STATE-OF-THE-ART FACILITY, Shah Alam

Offers a four-fold increase in storage capacity
Achieves cost efficiencies

OPERATIONAL BY 2017


Artist's impression of the facility

RM
30
MILLION

NEW UHT LINE, Kuching

Produces 3.4 million cases per year

OPERATIONAL BY END-2016



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