



Results Briefing  
1<sup>st</sup> Half Ended 2005/06

5 May 2006



**FRASER & NEAVE HOLDINGS BHD**

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# Financial Results 1<sup>st</sup> Half

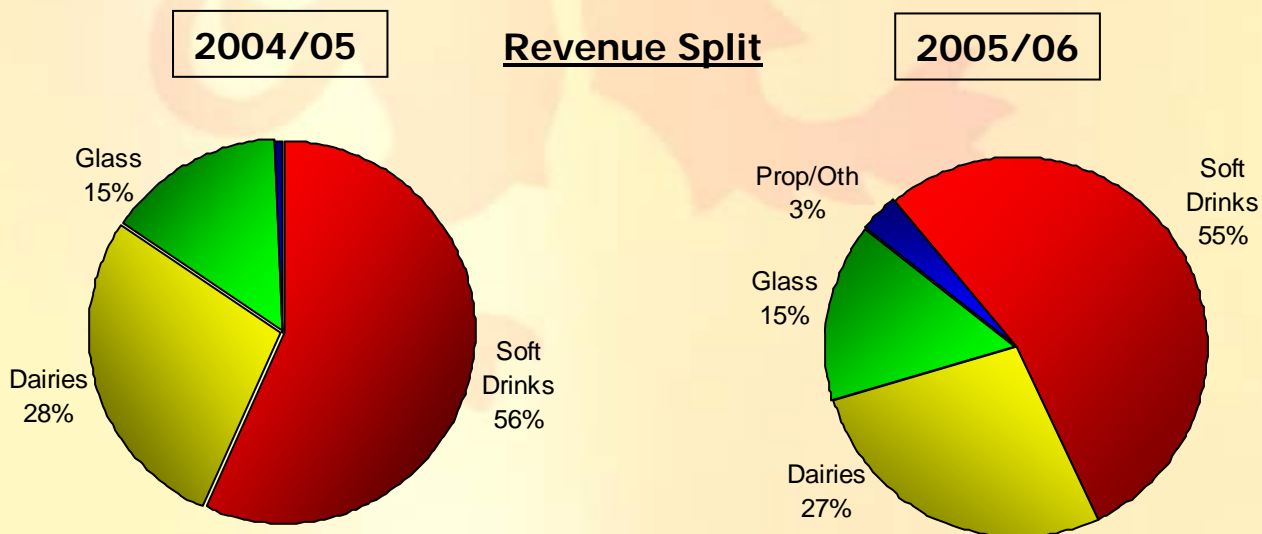
RM million	2006	2005	+/-
■ Revenue	1,002.3	972.7	+3.1%
■ PBIT	106.4	91.4	+16.5%
■ PBT	106.3	92.1	+15.4%
■ PAT	78.9	71.1	+10.9%
■ Attr Profit	72.9	66.1	+10.2%

- Double digit profit growth, improvements in results in all divisions
- Overall margins improved to 10.6% (from 9.4%)
- Higher tax rate due to depletion of reinvestment allowances in certain operating units

# Financial Results 1<sup>st</sup> Half

## Revenue Breakdown vs LY

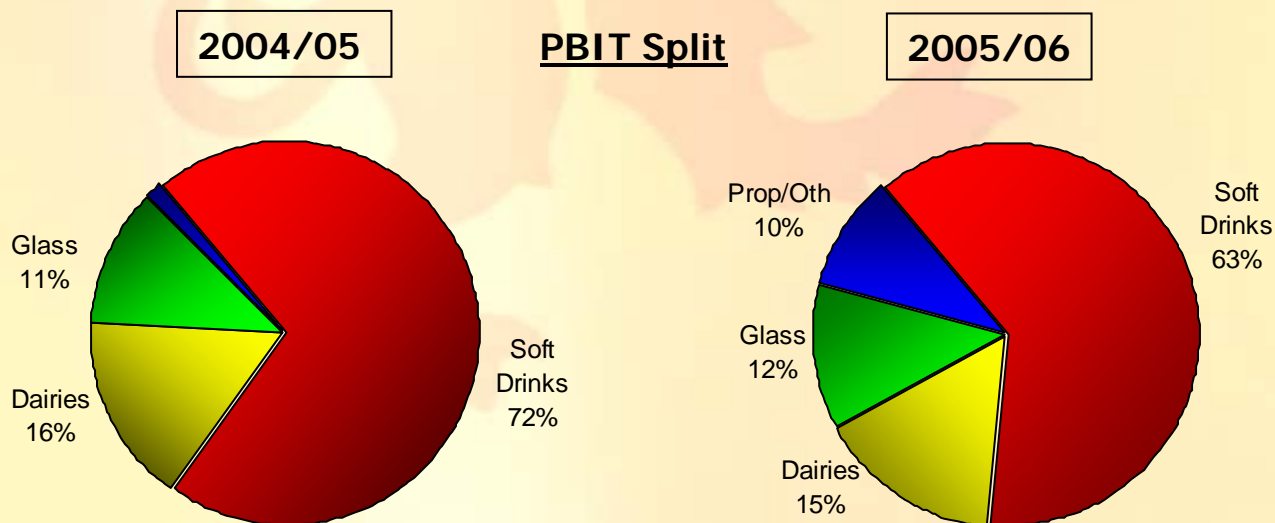
- Overall : + 3%, at RM1.0 b
- Soft Drinks : - 1%
- Dairies : + 2%
- Glass : + 4%
- Property : > 100%



# Financial Results 1<sup>st</sup> Half

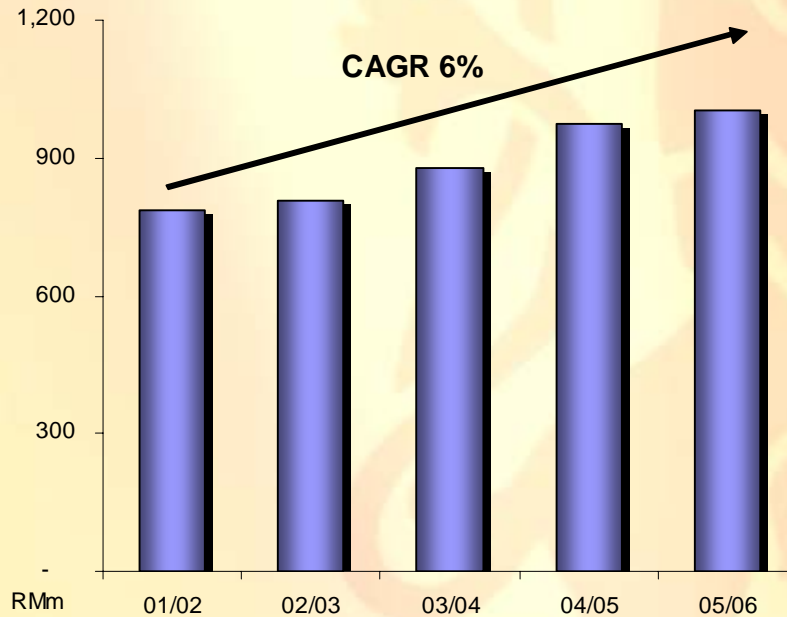
## PBIT Breakdown vs LY

- Overall : + 16%, at RM106m
- Soft Drinks : + 3%
- Dairies : + 12%
- Glass : + 25%
- Property : > 100%

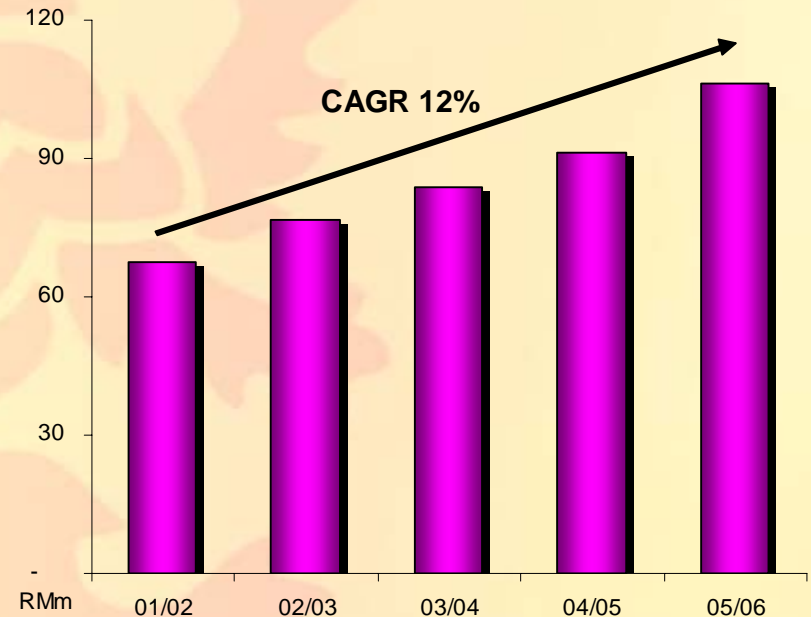


# Growth : Last 5 Years

## Revenue



## PBIT



- Consistent revenue growth and profit performance
- Record revenue (breached > RM1.0 billion)
- Record PBIT (breached > RM100 million)

# Operational Review 1<sup>st</sup> Half

## Soft Drinks Operation

### Revenue

- very strong 1<sup>st</sup> Qtr which was offsetted by weak post festive sales
- last year 2<sup>nd</sup> Qtr was also distorted by last "bite" sales prior to price increase on 1/4/05
- overall 6 months sales volume -7% but revenue -1% due to price and mix improvement
- CSD market share at 63%

Half Year	RMm	vs LY
Revenue	543.0	- 1%
PBIT	66.6	+ 3%

	Qtr 2	vs LY	Qtr 1	vs LY
Revenue	237.1	- 19%	305.9	+ 18%
PBIT	30.4	- 11%	36.2	+ 18%

### PBIT

- ve ■ higher knock on effects on fuel increase
- ve ■ weak post festive consumer sentiments
- +ve ■ PBIT margins improved
- +ve ■ aluminium, resin and other packaging materials hedged until year end

# Operational Review 1<sup>st</sup> Half

## Dairy Products Operation

### Revenue

- canned milk relatively flat :  
(export +5%, domestic -4%)
- lower discounting
- price increase in August'05 (8 - 9%)
- SCM market share at ~ 50%
- revenue : juice/milk up 17%,  
ice cream up 12%

Half Year	RMm	vs LY
Revenue	275.6	+ 2%
PBIT	16.4	+ 12%

	Qtr 2	vs LY	Qtr 1	vs LY
Revenue	140.1	+ 3%	135.6	+ 2%
PBIT	7.2	+ 11%	9.1	+ 13%

### PBIT

- ve ■ weak consumer sentiments
- ve ■ higher knock on effects on fuel increase
- +ve ■ PBIT margins improved
- +ve ■ major raw materials hedged to year end

# Operational Review 1<sup>st</sup> Half

## Glass Packaging Operation

### Revenue

- sales volume up 1%
- higher selling prices

Half Year	RMm	vs LY
Revenue	149.8	+ 4%
PBIT	13.1	+ 25%

	Qtr 2	vs LY	Qtr 1	vs LY
Revenue	77.8	+ 18%	72.0	- 8%
PBIT	8.1	+120%	5.0	- 27%

### PBIT

- ve ■ high fuel costs (MVGL), transportation costs
- +ve ■ higher production efficiencies
- +ve ■ higher PBIT margin, up from 7.2% to 8.7%
- +ve ■ China turns in operating profit of RM0.3m compared to losses of RM2.7m LY

# Operational Review 1<sup>st</sup> Half

## Property Operation

- Fraser Park Project – Phase 1
  - : 80 office shop units launched in Feb'04, fully sold
  - : development value ~ RM180 million
  - : development profit ~ RM50 million

## Status To Date

- : progress work on schedule
- : handover expected end of this year
- : % completion recognition ~ 64%

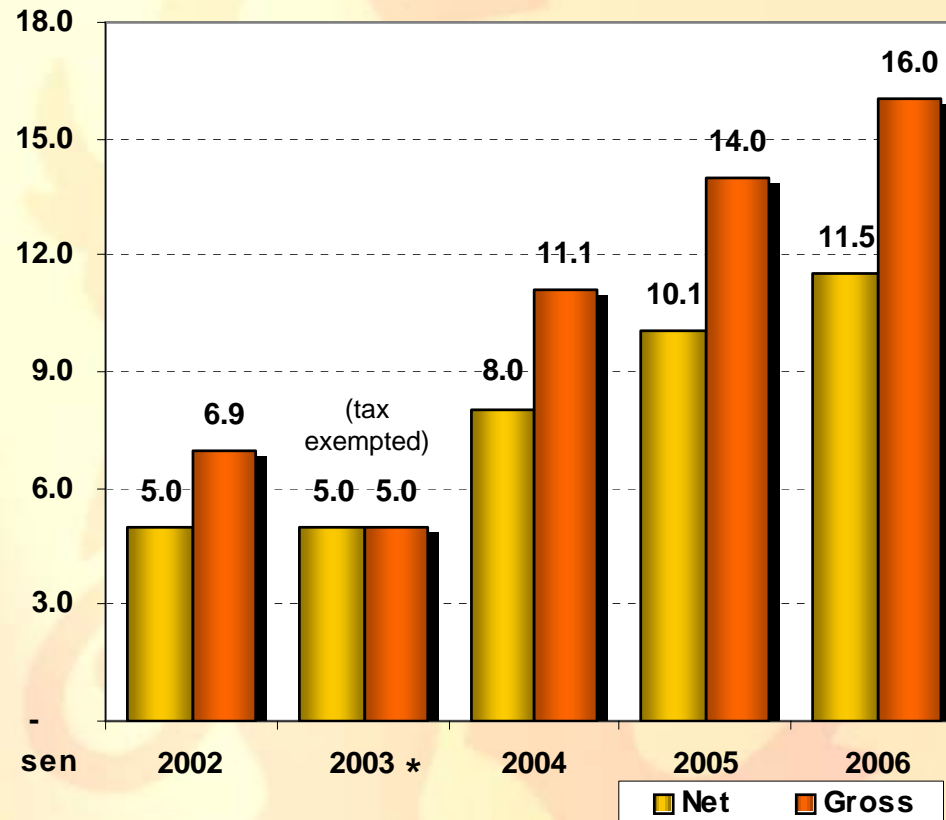


# Operational Review 1<sup>st</sup> Half

## Property Operation – Fraser Park Phase 1



# Interim Dividend per Share



- Interim dividend at 16 sen gross (+14% vs LY) payable 5 June '06
- Full year dividend expected to be no less than last year

# Financial Summary / Ratios

<u>Half Year ended</u>		<u>2005/06</u>	<u>2004/05</u>	<u>Full Year 2004/05</u>
■ PBIT margin	↑	10.6%	9.4%	9.4%
■ ROE	↑	6.7%	6.3%	12.2%
■ Net cash (RM)	↑	183.6m	161.2m	145.5m
		<u>Per Share</u>		
■ NTA (RM)	↑	3.04	2.96	3.04
■ EPS (sen)	↑	20.4	18.5	37.0
■ Net cash backing (sen)	↑	51.5	45.2	40.8
■ Net dividend (sen)	↑	11.5	10.0	30.2

# Looking Ahead

- +ve

- major raw materials hedged until year end
- contribution from Jalan Foss project
- China operating break-even
- strengthening ringgit

- -ve

- weak consumer sentiments
- cost pressure from recent fuel increase

- Overall outlook for the year hinges on recovery of consumer demand



End of Presentation

Tan Ang Meng, CEO

FNHB Briefing : 5 May 2006